

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
S/R Industries, Inc.		01/11/2010	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Summit Financial Resources, L.P.
Street Address:	2455 East Parleys Way
Internal Address:	Suite 200
City:	Salt Lake City
State/Country:	UTAH
Postal Code:	84109
Entity Type:	LIMITED PARTNERSHIP: HAWAII

PROPERTY NUMBERS Total: 8

Property Type	Number	Word Mark
Registration Number:	0933067	MARKSMAN
Registration Number:	1111293	MARKSMAN
Registration Number:	1154835	LASER
Registration Number:	1231007	BEE MAN
Registration Number:	1369214	SHOOTIN' DARTS
Registration Number:	2135587	LASERHAWK
Registration Number:	3178833	DRAGON FIRE
Registration Number:	3130430	LASERSOFT

CORRESPONDENCE DATA

Fax Number: (602)382-6070
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 602-382-6572
 Email: enielsen@swlaw.com
 Correspondent Name: Snell & Wilmer L.L.P. E.M. Nielsen

900153688

**TRADEMARK
 REEL: 004142 FRAME: 0024**

CH \$215.00 0933067

Address Line 1: One Arizona Center
Address Line 2: 400 East Van Buren
Address Line 4: Phoenix, ARIZONA 85004

ATTORNEY DOCKET NUMBER: 39275.0001

NAME OF SUBMITTER: Eric Nielsen

Signature: /Eric Nielsen/

Date: 02/02/2010

Total Attachments: 5

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (the "**Agreement**") is made and entered into as of January 11, 2010 (the "**Effective Date**") by and between **S/R INDUSTRIES, INC.**, a Delaware corporation ("**Debtor**"), and **SUMMIT FINANCIAL RESOURCES, L.P.**, a Hawaii limited partnership ("**Secured Party**"), pursuant to a Financing Agreement dated as of November 12, 2009, between Debtor and Secured Party (as amended or modified from time to time, the "**Financing Agreement**").

For good and valuable consideration, receipt of which is hereby acknowledged, Debtor and Secured Party hereby agree as follows:

1. Definitions. Except as otherwise provided herein, terms defined in the Financing Agreement shall have the same meanings when used herein. Terms defined in the singular shall have the same meaning when used in the plural and vice versa. Terms defined in the UCC shall have the meanings set forth in the UCC, except as otherwise defined herein. As used herein, the term:

"**Collateral**" has the meaning set forth in Section 2.

"**PTO**" means the United States Patent and Trademark Office.

In this Agreement, the following rules of construction and interpretation shall be applicable: (i) no reference to "proceeds" in this Agreement authorizes any sale, transfer, or other disposition of any Collateral by Debtor; (ii) "includes" and "including" are not limiting; (iii) "or" is not exclusive; and (iv) "all" includes "any" and "any" includes "all." To the extent not inconsistent with the foregoing, the rules of construction and interpretation applicable to the Financing Agreement shall also be applicable to this Agreement and are incorporated herein by this reference.

2. Security Interest.

(a) Grant of Security Interest. As security for payment and performance in full of all Debtor's obligations under the Financing Agreement, Debtor hereby grants to Secured Party a security interest in and to all of Debtor's right, title and interest in, to and under the Collateral. "**Collateral**" means the following personal property of Debtor, wherever located, now owned or existing or hereafter acquired or created, all additions and accessions thereto, all replacements, insurance or condemnation proceeds, all documents covering any of the Collateral, all leases of any of the Collateral, all rents, revenues, issues, profits and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition of any of the Collateral or any interest therein, all amendments, modifications, renewals, extensions, and replacements thereof, and all products and proceeds thereof: (a) all inventory (the "**Inventory**"); (b) all accounts (the "**Accounts**"); (c) all equipment, goods and motor vehicles (collectively, the "**Equipment**"); (d) all general intangibles, including any and all patents, trademarks and copyrights (registered or unregistered), trade secrets, domain names and addresses, and intellectual property licenses; (e) any and all promissory notes and instruments payable to or owing to Debtor or held by Debtor; any and all leases under which Debtor is the

lessor; any and all chattel paper in favor of, owing to, or held by Debtor, including, without limitation, any and all conditional sale contracts or other sales agreements, whether Debtor is the original party or the assignee; and any and all security agreements, collateral and titles to motor vehicles which secure any of the foregoing obligations; (f) all deposit accounts, including without limitation, all interest, dividends or distributions accrued or to accrue thereon, whether or not due; (g) all investment property, including all interest, dividends or distributions accrued or to accrue thereon, whether or not due; (h) all documents; (i) all letter-of-credit rights; (j) all supporting obligations; and (k) all balances, deposits, debts or any other amounts or obligations of Summit owing to Debtor, including, without limitation, any Reserve, whether or not due.

(b) Continuing Security Interest. Debtor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 11.

3. Supplement to Financing Agreement. This Agreement has been entered into in conjunction with the security interests granted to Secured Party under the Financing Agreement or other security documents referred to therein. The rights and remedies of Secured Party with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Financing Agreement or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

4. Representations and Warranties. Debtor represents and warrants to Secured Party that a true and correct list of all of the existing Collateral consisting of all patents, patent applications, trademarks, trademark registrations and applications owned by Debtor, in whole or in part, is set forth in Schedule A. For the avoidance of doubt, the non-inclusion of personal property of Debtor in Schedule A shall not in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral.

5. Further Acts. On a continuing basis, Debtor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or advisable or may be requested by Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the PTO or any applicable state office. Secured Party may record this Agreement, an abstract thereof, or any other document describing Secured Party's interest in the Collateral with the PTO, at the expense of Debtor. In addition, Debtor authorizes Secured Party to file financing statements describing the Collateral in any UCC filing office deemed appropriate by Secured Party. If the Debtor shall at any time hold or acquire a commercial tort claim arising with respect to the Collateral, the Debtor shall immediately notify Secured Party in a writing signed by the Debtor of the brief details thereof and grant to the Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Party.

6. Authorization to Supplement. If Debtor shall obtain rights to any new patents, trademarks and copyrights (registered or unregistered), trade secrets, domain names and

addresses, or intellectual property licenses, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Secured Party with respect to any such new patents, trademarks and copyrights (registered or unregistered), trade secrets, domain names and addresses, and intellectual property licenses. Without limiting Debtor's obligations under this Section, Debtor authorizes Secured Party unilaterally to modify this Agreement by amending Schedule A to include any such new patent and/or trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A shall in any way affect, invalidate or detract from Secured Party's continuing security interest in all Collateral, whether or not listed on Schedule A.

7. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, Secured Party and their respective successors and assigns. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder except as specifically permitted by the Financing Agreement.

8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Utah, except as required by mandatory provisions of law or to the extent the perfection or priority of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than Utah.

9. Entire Agreement; Amendment. This Agreement and the Financing Agreement, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties, as provided in the Financing Agreement. Notwithstanding the foregoing, Secured Party unilaterally may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof. To the extent that any provision of this Agreement conflicts with any provision of the Financing Agreement, the provision giving Secured Party greater rights or remedies shall govern, it being understood that the purpose of this Agreement is to add to, and not detract from, the rights granted to Secured Party under the Financing Agreement.

10. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of a manually executed counterpart. Any party hereto delivering a counterpart of this Agreement by facsimile shall also deliver a manually executed counterpart, but the failure to so deliver a manually executed counterpart shall not affect the validity, enforceability, or binding effect hereof.

11. Termination. Upon payment and performance in full of all Debtor's obligations under the Financing Agreement, the security interests created by this Agreement shall terminate and Secured Party (at Debtor's expense) shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary to evidence termination of all such security interests given by Debtor to Secured Party hereunder.

12. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

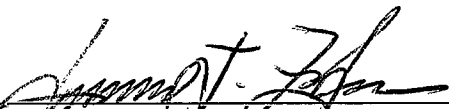
13. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

14. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Financing Agreement.

IN WITNESS WHEREOF, this Intellectual Property Security Agreement has been executed and becomes effective as of the Effective Date.


DEBTOR:

S/R INDUSTRIES, INC.
a Delaware corporation

By: 
Name: Lawrence J. Zadra
Title: President

SECURED PARTY:

SUMMIT FINANCIAL RESOURCES, L.P.
a Hawaii limited partnership

By: 
Name: MARK J Piccolo
Title: SUP

SCHEDULE A

TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Trademarks			
Country	Mark	Registration No.	Registration Date
USA	MARKSMAN	0933067	May 2, 1972
USA	MARKSMAN and Design	1111293	January 16, 1979
Canada	MARKSMAN	226929	March 31, 1978
Canada	MARKSMAN and Design	241762	March 21, 1980
France	MARKSMAN	1366579	July 7, 2006
USA	LASER	1154835	May 19, 1981
USA	BEEMAN	1231007	March 15, 1983
USA	SHOOTIN' DARTS	1369214	November 5, 1985
USA	LASERHAWK	2135587	February 10, 1998
USA	DRAGON FIRE	3178833	December 5, 2006
Canada	LASERHAWK	577934	March 21, 2003
USA	LASERSOFT	3130430	August 15, 2006
China	BEEMAN	4299132	March 7, 2007
China	MARKSMAN	4299131	March 7, 2007
United Kingdom	MARKSMAN and Design	1313841	May 14, 1993
United Kingdom	MARKSMAN	1313842	May 14, 1993

Patents			
Country	Serial/Patent No.	Filing Date	Title
USA	PCT/US08/050686	July 9, 2009	Interchangeable Gun Barrel and Apparatus and Method
USA	11/884,405	August 15, 2007	Temporary Projectile Retaining Apparatus and Related Methods
USA	6775940	February 14, 2003	Motion Detecting Safety Device
Canada	2418827	February 14, 2003	Motion Detecting Safety Device
United Kingdom	0303628.2	February 17, 2003	Motion Detecting Safety Device
Patent Cooperation Treaty	PCT/US2008/064388	May 21, 2008	System and Method for Electronic Projectile Play