

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
Blue Matrix Labs, LLC		09/26/2013	LIMITED LIABILITY COMPANY:

RECEIVING PARTY DATA

Name:	Dave Chapman
Street Address:	2905 Cliff Point
City:	Spicewood
State/Country:	TEXAS
Postal Code:	78669
Entity Type:	INDIVIDUAL: UNITED STATES

PROPERTY NUMBERS Total: 11

Property Type	Number	Word Mark
Serial Number:	85408548	SHAGS
Serial Number:	85809975	PIRATE ENERGY
Serial Number:	86032024	IWICH
Serial Number:	86032029	INNOVATION IN MOTION
Serial Number:	85958457	GET ON IT
Serial Number:	85942682	PARTY LIKE A PIRATE
Serial Number:	85942683	THE PARTY STARTS HERE
Serial Number:	85942681	RELEASE YOUR INNER PIRATE
Serial Number:	86029465	IPAKS
Serial Number:	86029462	ALIEN WARFARE
Serial Number:	86028309	OUT OF THIS WORLD

CORRESPONDENCE DATA

Fax Number:

OP \$290.00 85408548

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Email: michael@blue-rhodes.com
Correspondent Name: Dave Chapman
Address Line 1: 2905 Cliff Point
Address Line 4: Spicewood, TEXAS 78669

NAME OF SUBMITTER:	Dave Chapman
Signature:	/dave chapman/
Date:	11/20/2013

Total Attachments: 9

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SECURITY AGREEMENT

This SECURITY AGREEMENT (this “**Agreement**”), is made as of September 26, 2013, by and among Blue Matrix Labs, LLC, a Texas limited liability company (“**Borrower**”), and Dave Chapman, an individual (“**Lender**”).

RECITALS:

A. Lender has agreed to make a loan to Borrower in the original principal amount of \$2,000,000, such loan to be evidenced by a Promissory Note dated of even date herewith from Borrower to Lender (the “**Note**”).

B. The execution and delivery of this Agreement is required by the terms of the Note.

D. Terms defined in the Note shall have the same meaning when used in this Agreement as when used in the Note, unless otherwise defined herein or the context requires.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the adequacy, receipt, and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

ARTICLE 1 DEFINITIONS

1.1. Definitions. As used in this Agreement, the following terms have the following meanings:

“**Account**” means any “account,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Borrower.

“**Chattel Paper**” means any “chattel paper,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Borrower.

“**Collateral**” has the meaning specified in Section 2.1 of this Agreement.

“**Copyright License**” means any written agreement now or hereafter in existence granting to Borrower any right to use any Copyright.

“**Copyrights**” means all of the following: (a) all copyrights, works protectable by copyright, copyright registrations, and copyright applications; (b) all renewals, extensions, and modifications thereof; (c) all income, royalties, damages, profits, and payments relating to or payable under any of the foregoing; (d) the right to sue for past, present, or future infringements of any of the foregoing; and (e) all other rights and benefits relating to any of the foregoing throughout the world; in each case, whether now owned or hereafter acquired by Borrower.

“**Document**” means any “document,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Borrower.

“**Equipment**” means any “equipment,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Borrower.

"Fixtures" means any "fixtures," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Borrower.

"General Intangibles" means any "general intangibles," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Borrower.

"Governmental Authority" means any nation or government, any state or political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to any government.

"Indebtedness" means all indebtedness of Borrower to the Lender arising under the Note.

"Instrument" means any "instrument," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Borrower.

"Intellectual Property" means the Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, and Trademark Licenses.

"Inventory" means any "inventory," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Borrower.

"Investment Property" means any "investment property," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by Borrower.

"Lien" means any lien, mortgage, security interest, tax lien, pledge, charge, hypothecation, assignment, preference, priority, or other encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale or title retention agreement), whether arising by contract, operation of law, or otherwise.

"Patent License" means any written agreement now or hereafter in existence granting to Borrower any right to use any invention on which a Patent is in existence.

"Patents" means any and all of the following: (a) all patents, patent applications, and patentable inventions and all of the inventions and improvements described and claimed therein; (b) all continuations, divisions, renewals, extensions, modifications, substitutions, continuations-in-part, or reissues of any of the foregoing; (c) all income, royalties, profits, damages, awards, and payments relating to or payable under any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all other rights and benefits relating to any of the foregoing throughout the world; in each case, whether now owned or hereafter acquired by Borrower.

"Person" means any individual, corporation, business trust, association, company, partnership, joint venture, Governmental Authority, or other entity.

"Proceeds" means any "proceeds," as such term is defined in Article or Chapter 9 of the UCC and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty, or guaranty payable to Borrower from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure, or forfeiture of all or any part of the Collateral by any Governmental

Authority (or any Person acting, or purporting to act, for or on behalf of any Governmental Authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“**Trademark License**” means any written agreement now or hereafter in existence granting to Borrower any right to use any Trademark.

“**Trademarks**” means all of the following: (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints, and labels on which any of the foregoing appear, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings, and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions, and renewals thereof; (c) all income, royalties, damages, and payments now or hereafter relating to or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; (e) all rights corresponding to any of the foregoing throughout the world; and (f) all goodwill associated with and symbolized by any of the foregoing; in each case, whether now owned or hereafter acquired by Borrower.

“**UCC**” means the Uniform Commercial Code as in effect in the State of Texas and/or any other jurisdiction, the laws of which may be applicable to or in connection with the creation, perfection, or priority of any Lien on any Collateral.

1.2. Other Definitional Provisions. References to “Sections,” “subsections,” “Exhibits,” and “Schedules” shall be to Sections, subsections, Exhibits, and Schedules, respectively, of this Agreement unless otherwise specifically provided. All definitions contained in this Agreement are equally applicable to the singular and plural forms of the terms defined. All references to statutes and regulations shall include any amendments of the same and any successor statutes and regulations. References to particular sections of the UCC should be read to refer also to parallel sections of the Uniform Commercial Code as enacted in each state or other jurisdiction where any portion of the Collateral is or may be located. Terms used herein, which are defined in the UCC, unless otherwise defined herein or in the Note, shall have the meanings determined in accordance with the UCC.

ARTICLE 2 SECURITY INTEREST

2.1. Security Interest. As collateral security for the prompt payment and performance in full when due of the Indebtedness (whether at stated maturity, by acceleration, or otherwise), Borrower hereby pledges, assigns, and grants to the Lender, for the benefit of the Lender, a continuing lien on and security interest in, all of Borrower’s right, title, and interest in and to the following, whether now owned or hereafter arising or acquired and wherever located (the “**Collateral**”):

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Instruments;
- (d) all General Intangibles, including all Intellectual Property;

- (e) all Documents;
- (f) all Equipment;
- (g) all Fixtures;
- (h) all Inventory;
- (i) all Investment Property; and
- (j) all products and Proceeds, in cash or otherwise, of any of the property described in the foregoing clauses (a) through (i).

2.2. Borrower Remains Liable. Notwithstanding anything to the contrary contained in this Agreement, (a) Borrower shall remain liable under the documentation included in the Collateral (the "**Documentation**") to the extent set forth in the Documentation to perform all of its duties and obligations under the Documentation to the same extent as if this Agreement had not been executed, (b) the exercise by the Lender of any of its rights or remedies under this Agreement shall not release Borrower from any of its duties or obligations under the Documentation, (c) the Lender shall not have any obligation under the Documentation by reason of this Agreement, and (d) the Lender shall not be obligated to perform any of the Borrower's obligations under the Documentation or to take any action to collect or enforce any claim for payment assigned under this Agreement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

3.1. Title. Except as otherwise provided herein, Borrower is the owner of all the Collateral, free from any and all adverse claims, security interests, encumbrances, mortgages, liens, charges and deposits (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement and the filing of or agreement to file any financing statement under the UCC as in force and effect in any state, territory or possession of the United States of America, or any comparable document in any such jurisdiction) unless the same have been previously disclosed to Lender or unless the encumbrance was created by a document filed in the public records.

3.2. Litigation. There is no action, suit or proceeding pending or, to the best of Borrower's knowledge, threatened against Borrower, before or by any court, governmental authority or arbitrator, which, if adversely decided, might result in any material adverse change to the detriment or diminution of the Collateral or proceeds thereof, and to the best of Borrower's knowledge, there is no basis for any such action, suit or proceeding.

3.3. Noncontravention. The execution, delivery and performance of this Agreement will not conflict with or, with or without notice or the lapse of time, result in any default or in any material modification of the terms of any contract, agreement, obligation or commitment of or applicable to Borrower. The execution, delivery and performance of this Agreement will not violate any judgment, decree or order applicable to Borrower, or, to the Borrower's knowledge, any statute, rule or regulation of any federal, state or local government or agency having jurisdiction over Borrower or its properties or assets.

3.4. Subsidiaries. As of the date hereof, Borrower has no subsidiaries (direct or indirect) and owns no capital stock or other ownership interests of any Person.

ARTICLE 4 COVENANTS

Borrower covenants and agrees that, as long as the Indebtedness or any part thereof is outstanding, Borrower will perform and observe each of the following covenants:

4.1. Accounts. Borrower shall, in accordance with its customary business practices, endeavor to collect or cause to be collected from each account debtor under its Accounts, as and when due, any and all amounts owing under such Accounts.

4.2. Further Assurances; Exceptions to Perfection. At any time and from time to time, upon the Lender's reasonable request, Borrower shall promptly execute and deliver all such further agreements, documents, and instruments and take such further action as may be necessary or appropriate to preserve and perfect the Lender's security interest in the Collateral and carry out the provisions and purposes of this Agreement or to enable the Lender to exercise and enforce its rights and remedies under this Agreement with respect to any of the Collateral.

4.3. Third Parties in Possession of Collateral. Borrower shall not permit any third Person (including any warehouseman, bailee, agent, consignee, or processor) to hold any material portion of the Collateral, unless Borrower shall: (i) notify such third Person of the security interests created hereby; (ii) instruct such Person to hold all such Collateral for the Lender's account subject to the Lender's instructions; and (iii) take all other actions the Lender reasonably deems necessary to perfect and protect its and Borrower's interests in such Collateral pursuant to the requirements of the UCC.

4.4. Change of Owners' Address or Location of Collateral. Borrower will notify Lender in writing of any change of address of Borrower or the location at which Borrower maintains its records concerning the Collateral.

4.5. Intellectual Property Covenants. Borrower shall endeavor to (a) prosecute diligently any copyright, patent, or trademark application at any time pending that is necessary for the conduct of Borrower's business, (b) preserve and maintain all rights in the Intellectual Property that is necessary for the conduct of Borrower's business, and (c) upon and after the occurrence and during the continuance of an Event of Default, use its reasonable efforts to obtain any consents, waivers, or agreements necessary to enable the Lender to exercise its remedies with respect to the Intellectual Property.

ARTICLE 5 RIGHTS OF THE LENDER

5.1. Possession; Reasonable Care. The Lender may, from time to time, in its sole discretion, appoint one or more agents to hold physical custody, for the account of the Lender, of any or all of the Collateral that the Lender has a right to possess. The Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Lender accords its own property, it being understood that the Lender shall not have any responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders, or other matters relative to any Collateral, whether or not the Lender has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral.

ARTICLE 6
EVENT OF DEFAULT AND REMEDIES

6.1. Events of Default. Borrower shall be in default hereunder upon the happening of any of the following events or conditions (each such event or condition hereinafter referred to as an "Event of Default"):

(a) An Event of Default (as defined in the Note) shall be continuing under the Note.

(b) Borrower's failure to observe or perform any other material covenants, conditions or agreements on the part of Borrower contained in any of the Loan Documents, if such failure is not cured within 30 days after Lender's written notice thereof to Borrower; provided, that if such matters are not by their nature reasonably capable of being completely cured within such period, then Borrower shall only be in default if it shall have failed to commence promptly such cure within that period and thereafter diligently and continuously pursued the cure to completion.

(c) Borrower's: (i) application for, consent to or acquiescence in the appointment of a trustee, custodian or receiver for such entity for any of any of the Collateral or any other assets of such party, (ii) admission in writing to Lender that such party is unable to pay its debts as they come due, (iii) filing of a petition in a bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, or failure to remove or dismiss any such filing against such party within 90 days after any such filing, or (iv) making an assignment for the benefit of creditors.

(d) The entry of an order, attachment, decree or judgment approving any petition filed against Borrower seeking any reorganization, arrangement, composition or similar relief under the present or any future federal bankruptcy law or other applicable law of the United States, or any state thereof, or the appointment, without the consent of Borrower, of any receiver, trustee or liquidator of all or substantially all of the property of Borrower shall not be vacated, or shall not be stayed on appeal or otherwise, or shall have otherwise ceased to continue in effect within 180 days.

(e) The attachment, levy, execution or other judicial seizure of any substantial portion of the Collateral, any substantial portion of any other collateral provided by Borrower under any of the Loan Documents, or any substantial portion of the other assets of Borrower which is not replaced by Borrower with substantially equivalent collateral or is not released, expunged, discharged or dismissed prior to the earlier of (a) 180 days after such attachment, levy, execution or seizure, or (b) the sale of the assets affected thereby.

6.2. Rights and Remedies. If an Event of Default shall have occurred and be continuing, the Lender shall have the following rights and remedies: (a) in addition to all other rights and remedies granted to the Lender in this Agreement, the Note, or by applicable law, the Lender shall have all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral); and (b) the Lender may exercise any and all rights and remedies of Borrower under or in respect of the Collateral.

6.3. Private Sales. Borrower recognizes that the Lender may be unable to effect a public sale of any or all of the Collateral by reason of certain prohibitions contained in the laws of any jurisdiction outside the United States or in the Securities Act of 1933, as amended from time to time (the "Securities Act") and applicable state securities laws, but may be compelled to resort to one or more private sales thereof to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Collateral for their own account for investment and not with a view to the distribution or resale

thereof. Borrower acknowledges and agrees that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall, to the extent permitted by law, be deemed to have been made in a commercially reasonable manner. The Lender shall not be under any obligation to delay a sale of any of the Collateral for the period of time necessary to permit the issuer of such securities to register such securities under the laws of any jurisdiction outside the United States, under the Securities Act, or under any applicable state securities laws, even if such issuer would agree to do so. Borrower further agrees to do or cause to be done, to the extent that Borrower may do so under applicable law, all such other reasonable acts and things as may be necessary to make such sales or resales of any portion or all of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees, or awards of any and all courts, arbitrators, or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales.

ARTICLE 7 MISCELLANEOUS

7.1. No Waiver; Cumulative Remedies. No failure on the part of the Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

7.2. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrower and the Lender and their respective successors and assigns, except that Borrower may not assign any of its rights or obligations under this Agreement without the prior written consent of the Lender and Lender, except during the continuance of an Event of Default, may not assign any of its rights or obligations under this Agreement without the prior written consent of Borrower.

7.3. Amendment; Entire Agreement. THIS AGREEMENT, TOGETHER WITH THE NOTE AND OTHER RELATED AGREEMENTS AND DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties to this Agreement.

7.4. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient if delivered in accordance with the terms of the Note.

7.5. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS AND APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

7.6. Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

7.7. Survival of Representations and Warranties. All representations and warranties made in this Agreement or in any certificate delivered pursuant hereto shall survive the execution and delivery of this Agreement, and no investigation by the Lender shall affect the representations and warranties or the right of the Lender to rely upon them.

7.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This Agreement shall be effective and deemed executed for all purposes and with all formalities with the facsimile or portable document format (or .pdf) signature of any of the parties and shall be deemed an original for all purposes.

7.9. Severability. Any provision of this Agreement that is determined by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.10. Termination. If all of the Indebtedness shall have been paid and performed in full, the Lender shall, upon the written request of Borrower, execute and deliver to Borrower a proper instrument or instruments acknowledging the release and termination of the security interests created by this Agreement, and shall duly assign and deliver to Borrower such of the Collateral as may be in the possession of the Lender that has not previously been sold or otherwise applied pursuant to this Agreement; notwithstanding anything to the contrary contained in this Agreement, if the payment of any amount of the Indebtedness is rescinded, voided or must otherwise be refunded by the Lender upon the insolvency, bankruptcy or reorganization of Borrower or otherwise for any reason whatsoever, then the security interests created by this Agreement will be automatically reinstated and become automatically effective and in full force and effect, all to the extent that and as though such payment so rescinded, voided, or otherwise refunded had never been made and such release and termination of such security interest had never been given.

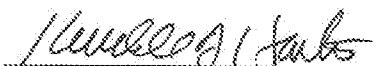
7.11. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and each party has had the opportunity to review this Agreement with his attorney. Accordingly, if an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Pronouns used in this Agreement include the masculine, feminine, neuter, singular, and plural, as the identity of the antecedent may require. The terms "or" and "and" as used in this Agreement shall be construed either conjunctively or disjunctively to bring within the scope of a provision any aspect that might otherwise be construed to be outside its scope. All schedules and annexes are incorporated in this Agreement as if set forth herein in full. Recitals, if any, are part of this Agreement and shall be considered in its interpretation.

[signature page immediately follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

BORROWER:

BLUE MATRIX LABS, LLC,
a Texas limited liability company

By: 
Kendall Harter, President

LENDER:


[Dave Chapman]