

BILL OF SALE

Advanced Tactical Ordnance Systems, LLC, formerly known as Phoenix International, LLC, as secured party, hereby sells, transfer, assigns and conveys to Advanced Tactical Ordnance Systems, LLC, *nunc pro tunc* as of January 9, 2012, all right, title and interest in and to the following property formerly owned by PepperBall Technologies, Inc. and PepperBall Technologies – CA, Inc. (together, the “Debtors”): (i) all trademarks and patents, including registrations for the PEPPERBALL trademark (U.S. Registration Nos. 2716025 and 2651502), and the goodwill of the business associated with the Debtors’ trademarks; (ii) all other intellectual property rights related to the PepperBall name; (iii) all contract rights and investment property; (iv) all merchandise, inventory and goods; and (v) all machinery and equipment (collectively, the “Assets”).

This sale of the Assets is made by virtue of the Debtors’ default in certain loan agreements between PepperBall Technologies, Inc. and PepperBall Technologies – CA, Inc. and Advanced Tactical Ordnance Systems, LLC, formerly known as Phoenix International, LLC, and by Phoenix International, LLC’s subsequent purchase of the Assets at the public sale on January 9, 2012, for the purchase price through credit bid of \$500,000.

This Bill of Sale is effective *nunc pro tunc* as of January 9, 2012.

Advanced Tactical Ordnance Systems, LLC,
formerly known as Phoenix International, LLC

By: 

Benjamin Tyler Tiberius

Title: Managing Member