

10-02-2002



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HEET

To the Honorable Commissioner of Patents and Trademarks: Please file original documents or copy thereof.

1. Name of conveying parties:
 Radiant Aviation Services, Inc.
 Radiant Energy Corporation *9-10-02*

Additional name(s) of conveying party(ies) attached? []Yes [x]No

3. Nature of conveyance: **Loan and Security Agreement**

Execution Date: June 27, 2002

2. Name and Address of receiving party

Name: The Boeing Company

Internal Address: 100 N. Riverside, MC 5003-1001
Chicago, IL 60606-1596

Street Address: 100 N. Riverside, MC 5003-1001
Chicago, IL 60606-1596

Additional name(s) & address(es) attached? []Yes [x]No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

B. Patent No.(s) Re 36,468

Additional numbers attached? []Yes [x]No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: John C. Hammar

Internal Address: The Boeing Company
P.O. Box 3707, MC 13-08
Seattle, WA 98124-2207

Street Address: 7755 E Marginal Way S, MC 13-08
Seattle, WA 98108

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41). . . . \$ 40.00

[] Enclosed

[x] Authorized to be charged to Deposit Account

8. Deposit Account number:
02-2960

FINANCIAL SECTION
 SEP 20 2002
 PM 1:58
 RECEIVED

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

John C. Hammar *[Signature]* September 20, 2002
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and documents: Total number 20

OMB NO. 0651-0011 (exp. 4/94)

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LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "Agreement"), is entered into as of June ____, 2002, by, between and among BOEING CAPITAL CORPORATION, a Delaware corporation ("Lender"), with a place of business located at 3780 Kilroy Airport Way, Suite 750, Long Beach, California 90806-6806, RADIANT AVIATION SERVICES, INC. a New York corporation, as borrower ("RAS") and RADIANT ENERGY CORPORATION, a corporation organized under the laws of Canada, as guarantor ("REC", and together with RAS, the "Obligors") with their place of business located at 40 Centre Drive, Orchard Park New York, 14127-4102.

The parties agree as follows:

1. **DEFINITIONS AND CONSTRUCTION**

1.1 **Definitions.** As used in this Agreement, the following terms shall have the following definitions:

"Accounts" means all currently existing and hereafter arising accounts, contract rights, and all other forms of obligations owing to any and each Obligor arising out of the sale or lease of goods or the rendition of services by each such Obligor, irrespective of whether earned by performance, and any and all credit insurance, guaranties, or security therefor.

"Bankruptcy Code" means the United States Bankruptcy Code (11 U.S.C. § 101 et seq.), as amended, and any successor statute, and any comparable statutes, regulations, rules, or laws under the laws of Canada.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which national banks in New York or in Toronto are authorized or required to close.

"Closing Date" means the date set forth in the first paragraph of this Agreement.

"Code" means the Uniform Commercial Code as enacted and adopted in the State of California, as amended from time to time.

"Collateral" means each of the following:

the General Intangibles,

the Patent,

the Service Mark, and

the proceeds and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance covering any or all of the Collateral, and any and all Accounts, Obligors' Books, General Intangibles, Negotiable Collateral, money, deposit accounts, or other tangible or intangible property resulting from the sale, exchange, collection, or other disposition of any of the foregoing, or any portion thereof or interest therein, and the proceeds thereof and any interest earnings on such proceeds.

"Collateral Agreements" means, collectively, the Patent Security Agreement, all UCC notice filings in connection therewith, together with UCC financing statements for each Obligor hereunder, and any other agreements, instruments and documents between the Obligors, or any of them, as grantor, and Lender, which provide for a lien and security interest in favor of Lender in the Collateral.

"Determination Date" shall mean each of (i) the date which is two Business Days prior to the Closing Date, and (ii) each date which is two Business Days prior to each one-year anniversary date of the Closing Date throughout the term of the Loan.

"Default" means an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

"Directors" means, collectively, David A. Williams, as trustee of RRSP Account #49450086-15, John M. Marsh, and Hara Enterprises Limited

"Directors Loan Documents" means, collectively, the Loan Agreement between the Directors and the Obligors, the Promissory Note given by REC to the Directors, the General Security Agreement between REC and the Directors, the Security Agreement between RAS and the Directors, each dated as of October 31, 2001, and every other instrument by or between the Obligors and the Directors evidencing the loan by the Directors to REC in the amount of \$675,000.

"Dollars or \$" means United States dollars.

"GAAP" means generally accepted accounting principles as in effect from time to time in Canada, consistently applied.

"General Intangibles" means all of each Obligor's present and future general intangibles and other personal property (including contract rights, rights arising under common law, statutes, or regulations, choses or things in action, goodwill, trade names, trademarks, service marks, copyrights, blueprints, drawings, purchase orders, customer lists, monies due or recoverable from pension funds, route lists, rights to payment and other rights under any royalty or licensing agreements, infringement claims, computer programs, information contained on computer disks or tapes, literature, reports, catalogs, deposit accounts, insurance premium rebates, tax refunds, and tax refund claims), other than goods, Accounts, and Negotiable Collateral.

"Governing Documents" means the certificate or articles of incorporation, by-laws, partnership agreement or other organizational or governing documents of any Person.

"Indebtedness" means: (a) all obligations of any and each Obligor for borrowed money, (b) all obligations of any and each Obligor evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations of any and each Obligor in respect of letters of credit, bankers acceptances, interest rate swaps, or other financial products, (c) all obligations of any and each Obligor under capital leases, (d) all obligations or liabilities of others secured by a Lien on any property or asset of any Obligor, irrespective of whether such obligation or liability is assumed, and (e) any obligation of any and each Obligor guaranteeing or intended to guarantee (whether guaranteed, endorsed, co-made, discounted, or sold with recourse to such or any other Obligor) any indebtedness, lease, dividend, letter of credit, or other obligation of any other Person.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other bankruptcy or insolvency law, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other similar relief. For purposes of this definition, "Insolvency Proceeding" shall not include that certain Memorandum of Understanding between RAS Europe and W. Giertsen, or any agreements between Obligor and its attorneys for settlement of legal fees.

"Interest Rate" means the prime rate published in the Wall Street Journal on a Determination Date.

"Kalamazoo Facility" means the Infra-Tek de-icing equipment facilities utilizing radiant technology, including any parts, components, mechanisms, plans or devices needed to place the Kalamazoo Facility in operation, owned by BCC Equipment Leasing Corporation and located at Kalamazoo, Michigan.

"Lender Expenses" means all: costs or expenses (including taxes, photocopying, notarization, telecommunication and insurance premiums) required to be paid by any Obligor under any of the Loan Documents that are paid or advanced by Lender; costs, expenses and premiums for documentation, filing, recording, publication, costs and expenses incurred by Lender in preserving the value of the Collateral; costs and expenses incurred by Lender in the disbursement of funds to any Obligor (by wire transfer or otherwise); charges paid or

incurred by Lender resulting from the dishonor of checks; costs and expenses paid or incurred by Lender to correct any default or enforce any provision of any of the Loan Documents, or in gaining possession of, maintaining, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated; costs and expenses paid or incurred by Lender in examining any Obligor's Books; costs and expenses of third party claims or any other suit paid or incurred by Lender in enforcing or defending the Loan Documents; and Lender's reasonable attorneys fees and expenses incurred in advising, structuring, drafting, reviewing, administering, amending, terminating, enforcing, defending, or concerning the Loan Documents (including attorneys fees and expenses incurred in connection with a "workout," a "restructuring," or an Insolvency Proceeding concerning any Obligor or any other guarantor of the Obligations), irrespective of whether suit is brought.

"Lien" means any interest in property, tangible or intangible, securing an obligation owed to, or a claim by, any Person other than the owner of such property, whether such interest shall be based on the common law, statute, or contract, whether such interest shall be recorded or perfected, and whether such interest shall be contingent upon the occurrence of some future event or events or the existence of some future circumstance or circumstances, including the lien or security interest arising from a mortgage, deed of trust, encumbrance, pledge, hypothecation, assignment, deposit arrangement, security agreement, adverse claim or charge, conditional sale or trust receipt, or from a lease, consignment, or bailment for security purposes.

"Loan" has the meaning set forth in Section 2.1.

"Loan Documents" means this Agreement, the Patent Security Agreement, the Settlement Agreement, the Note, and any other agreement entered into, now or in the future, in connection with this Agreement or the transactions contemplated hereby.

"Material Adverse Change" means (a) a material adverse change in the business, prospects, operations, results of operations, assets, liabilities or condition (financial or otherwise) of any Obligor, (b) the material impairment of any Obligor's ability to perform its obligations under the Loan Documents to which it is a party or of Lender's ability to enforce the Obligations or realize upon the Collateral, (c) a material adverse effect on the value of the Collateral or the amount that Lender would be likely to receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation of such Collateral, or (d) a material impairment of the priority of the Liens of Lender with respect to the Collateral.

"Negotiable Collateral" means all of any and each Obligor's present and future letters of credit, notes, drafts, instruments, investment property, security entitlements, securities (including the shares of stock of any subsidiary of any Obligor), documents, personal property leases (wherein any Obligor is the lessor), chattel paper, and Obligor's Books relating to any of the foregoing.

"Newark Facility" means the Infra-Tek de-icing equipment facilities utilizing radiant technology which are owned by BCC Equipment Leasing Corporation and located at Newark, New Jersey.

"Note" means that certain Secured Promissory Note given by RAS, dated as of the Closing Date, evidencing the Loan described in Section 2.1 of this Agreement.

"Obligations" means the Loan, and all other loans, debts, principal, interest (including any interest that, but for the provisions of the Bankruptcy Code, would have accrued), liabilities, obligations, fees, charges, costs, or Lender Expenses (including any fees or expenses that, but for the provisions of the Bankruptcy Code, would have accrued), lease payments, guaranties, covenants, and duties owing by any Obligor to Lender, or any affiliate of Lender, of any kind and description (whether pursuant to or evidenced by the Loan Documents or pursuant to any other agreement between Lender, or any affiliate of Lender, and any and/or each Obligor, and irrespective of whether for the payment of money), whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including any debt, liability, or obligation owing from any Obligor to others that Lender may have obtained by assignment or otherwise, and further including all interest owing to Lender not paid when due and all Lender Expenses that any Obligor is required to pay or reimburse to Lender under the Loan Documents, by law, or otherwise.

"Obligor's Books" means each Obligor's books and records including: ledgers; records indicating, summarizing, or evidencing any such Obligor's properties or assets (including the Collateral) or liabilities; all information relating to such Obligor's business operations or financial condition; and all computer programs, disk or tape files, printouts, runs, or other computer prepared information.

"Obligors' Books" shall mean the collective Obligor's Books of all Obligors together with any consolidating or combined such books and records of one or more Obligors.

"Patent" means and includes United States Letters Patent No. 5,417,389 issued May 23, 1995 and re-issued on December 28, 1999 as Patent #36468, entitled "Method of Apparatus for, Deicing an Aircraft by Infrared Radiation" together with all reissues, extensions continuations in whole or in part and substitutions thereof, and all United States or foreign patents, applications, reissues and continuations in whole or in part which are based thereon.

"Patent Security Agreement" means the instrument(s) or agreements to be filed with the United States Patent and Trademark Office and all other instruments necessary to perfect the security interest in the Patent and the Service Mark granted to Lender in this Agreement.

"Permitted Liens" means (a) Liens held by Lender, (b) Liens for unpaid taxes that either (i) are not yet due and payable or (ii) are the subject of Permitted Protests, (c) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business of any Obligor and not in connection with the borrowing of money, and which Liens either (i) are for sums not yet due and payable, or (ii) are the subject of Permitted Protests, (d) Liens or deposits to secure performance of bids, tenders, or leases (to the extent permitted under this Agreement), incurred in the ordinary course of business of any Obligor and not in connection with the borrowing of money, (e) Liens arising by reason of security for surety or appeal bonds in the ordinary course of business of any Obligor, (f) Liens of or resulting from any judgment or award that would not cause a Material Adverse Change and as to which the time for the appeal or petition for rehearing of which has not yet expired, or in respect of which any such Obligor is in good faith prosecuting an appeal or proceeding for a review, and in respect of which a stay of execution pending such appeal or proceeding for review has been secured, and (g) the pro rata interest of the Directors in and to the Collateral pursuant to the Directors' Loan.

"Permitted Protest" means the right of any Obligor to protest any Lien other than any such Lien that secures the Obligations, tax (other than payroll taxes or taxes that are the subject of a United States federal tax lien), or rental payment, provided that (a) a reserve with respect to such obligation is established on the books of such Obligor in an amount that is reasonably satisfactory to Lender, (b) any such protest is instituted and diligently prosecuted by such Obligor in good faith, and (c) Lender is satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of the Liens of Lender in and to the Collateral.

"Person" means and includes governments and agencies and political subdivisions thereof, natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities.

"Service Mark" means the United States Registration No. 2,036,140 registered February 4, 1997 for "Infratek" issued to Process Technologies, Inc. (now "RAS").

"Settlement Agreement" means that certain Settlement Agreement and Mutual Release dated as of the Closing Date by and between Boeing Capital Services Corporation, BCC Equipment Leasing Corporation, RAS and REC.

1.2 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with GAAP. When used herein, the term "financial statements" shall include the notes and schedules

thereto. Whenever the term "Obligor" is used in respect of a financial covenant or a related definition, it shall be understood to mean such Obligor on a consolidated basis unless the context clearly requires otherwise.

1.3 **Code.** Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein.

1.4 **Construction.** Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the term "including" is not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. An Event of Default shall "continue" or be "continuing" until such Event of Default has been waived in writing by Lender. Section, subsection and clause references are to this Agreement unless otherwise specified. Any reference in this Agreement or in the Loan Documents to this Agreement or any of the Loan Documents shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, and supplements, thereto and thereof, as applicable.

2. LOAN AND TERMS OF PAYMENT.

2.1 **Term Loan.** Lender has agreed to make a term loan to RAS on the Closing Date in the amount of \$4,489,263.34, less the amounts described in Section 2.2(c) plus the amounts set forth in Section 2.2(d) hereinbelow (the "Loan"), which Loan is secured by the Guaranty granted in Section 7 hereinbelow and by the Collateral as set forth herein and in any Collateral Agreements. The Loan shall be deemed advanced on the Closing Date.

The Loan shall accrue interest at the Interest Rate until the Maturity Date, at which time all payments of principal and interest on the Loan shall be fully due and payable. Principal and interest during the term of the Loan shall be repaid as set forth in Section 2.2 below. The outstanding principal balance and all accrued and unpaid interest under the Loan shall be due and payable upon the termination of this Agreement, whether by its terms, by prepayment, by acceleration, or otherwise.

2.2 Interest; Loan Payments; Additional Advances.

- (a) **Interest Rate.** All Obligations shall bear interest at a per annum rate equal to the Interest Rate.
- (b) **Payments.** Principal and interest payable hereunder shall be due and payable, in arrears, on a quarterly basis, in the amount of the sum of (i) 60% of gross profit received by any Obligor during such quarter for any new installations of the Radiant De-Icing System in North America (ii) 60% of gross profit received by any Obligor during such quarter from ongoing revenues for all installations of the Radiant De-Icing System in North America (excluding the Newark Facility) and (iii) 100% of all revenues for the Newark Facility.
- (c) **Reduction of Principal.** Net proceeds (less any Lender Expenses) of any sale of the Kalamazoo Facility and/or the Newark Facility shall be applied against and serve to reduce the principal and accrued interest payable on the Loan.
- (d) **Additional Advances.** Any expenses incurred or amounts advanced to Obligors by Lender in connection with the completion of the installation of the Radiant De-Icing System in Kalamazoo, Michigan, shall be added to and increase the principal amount of the Loan made by Lender hereunder. Lender shall notify Borrower on a monthly basis via invoicing of any changes to the principal amount of the Loan pursuant to this subparagraph.
- (e) **Intent to Limit Charges to Maximum Lawful Rate.** In no event shall the interest rate or rates payable under this Agreement, plus any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem

applicable. Each Obligor and Lender, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided, however, that, anything contained herein to the contrary notwithstanding, if said rate or rates of interest or manner of payment exceeds the maximum allowable under applicable law, then, ipso facto as of the date of this Agreement, each such Obligor is and shall be liable only for the payment of such maximum as allowed by law, and payment received from each such Obligor in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of such Obligor's Obligations to the extent of such excess.

(f) **Application of Payments.** All payment received or applied hereunder shall be applied first to Lender Expenses, then to accrued interest, then to the principal amount.

2.3 **Maintenance of Loan Account; Statements of Obligations.** Lender may, but shall not be required to, maintain an account on its books in the name of each Obligor (the "Loan Accounts") on which each such Obligor will be charged with the Loan made by Lender to any and each Obligor or for any and each Obligor's account, including, accrued interest, Lender Expenses, and any other payment Obligations of any Obligor. Lender may from time to time, but shall not be required to, render statements regarding the Loan Accounts to each Obligor, including principal, interest, fees, and including an itemization of all charges and expenses constituting Lender Expenses owing, and such statements, if and when given by Lender, shall be conclusively presumed to be correct and accurate and constitute an account stated between each Obligor and Lender unless, within 30 days after receipt thereof by each Obligor, such Obligor shall deliver to Lender written objection thereto describing the error or errors contained in any such statements. If Lender elects to establish and maintain Loan Accounts, Lender shall notify Borrower on a monthly basis of any changes, if any, to the Loan Accounts pursuant to this Section.

2.4 **Prepayment.** The Loan may be prepaid in whole or in part, at any time after ten (10) days' prior written notice, without penalty or premium.

3. **CONDITIONS; TERM OF AGREEMENT**

3.1 **Conditions Precedent.** The obligation of Lender to make the Loan is subject to the fulfillment or waiver, to the satisfaction of Lender and its counsel, of each of the following conditions on or before the Closing Date:

- (a) Lender shall have confirmed the perfection and priority of its Liens in the Collateral;
- (b) Lender shall have received each of the following documents, duly executed, and each such document shall be in full force and effect:
 - (i) the Collateral Agreements in proper form for recording;
 - (ii) the Settlement Agreement; and
 - (iii) the Note.
- (c) Lender shall have received a certificate from the Secretary of each Obligor or each corporation that is a general partner of an Obligor, as the case may be, attesting to the resolutions of such Obligor's, or general partner's, Board of Directors authorizing the execution, delivery, and performance of this Agreement and the other Loan Documents to which such Obligor is a party and authorizing specific officers of such Obligor to execute the same;
- (d) Lender shall have received copies of each Obligor's Governing Documents, as amended, modified, or supplemented prior to the Closing Date, certified by the Secretary of each such Obligor;

(e) all other documents and legal matters in connection with the transactions contemplated by this Agreement shall have been delivered, executed, or recorded and shall be in form and substance satisfactory to Lender and its counsel.

3.2 **Term.** This Agreement shall become effective upon the execution and delivery hereof by the Obligors and Lender and shall continue in full force and effect for a term ending on the date that is sixty (60) months from the Closing Date, unless the Term is extended by Lender and no Maturity Date has occurred.

3.3 **Effect of Termination.** On the date of termination of this Agreement, all Obligations shall become immediately due and payable to Lender without notice or demand. No termination of this Agreement, however, shall relieve or discharge any Obligor of such Obligor's duties, Obligations, or covenants hereunder, and Lender's continuing security interests in, and security title to, the Collateral shall remain in effect until all Obligations have been fully and finally discharged and Lender's obligation to provide additional credit hereunder is terminated.

4. GRANT OF LIEN AND SECURITY INTEREST.

4.1 **Grant of Lien and Security Interest.** As security for the prompt and complete payment and performance when due of all the Obligations, indebtedness and liabilities of the Obligors to Lender, now existing or hereafter incurred under, arising out of, or in connection with, the Loan Documents and any and all other present and future indebtedness, obligations and liabilities of any kind whatsoever of the Obligors to Lender, whether direct or indirect, joint or several, absolute or contingent, liquidated or unliquidated, secured or unsecured, matured or unmatured and whether originally contracted with Lender or otherwise acquired by Lender, and in order to induce Lender to enter into this Agreement and the Settlement Agreement and make the Loan and to extend other credit from time to time to any Obligor, whether under this Agreement or otherwise, the Obligors hereby grant to Lender a continuing first priority Lien and security interest ("Security Interest") in all of each Obligor's right, title and interest in, to and under the Collateral, subject only to the pro rata interest of the Directors in and to the Collateral with respect to the Directors' Loan as set forth in the Intercreditor Agreement. Such Security Interest in the Collateral has attached and is perfected in all Collateral without further act on the part of Lender or any Obligor. Except as otherwise provided in this Agreement, no Obligor has any authority, express or implied, to dispose of any item or portion of the Collateral.

4.2 **Delivery of Additional Documentation Required.** At any time upon the request of Lender, each or any Obligor shall execute and deliver to Lender all financing statements, continuation financing statements, fixture filings, security agreements, pledges, assignments, endorsements of certificates of title, applications for title, affidavits, reports, notices, schedules of accounts, letters of authority, and all other documents that Lender reasonably may request, in form satisfactory to Lender, to perfect and continue perfected the Security Interests in the Collateral, and in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents.

5. REPRESENTATIONS AND WARRANTIES.

In order to induce Lender to enter into this Agreement, each Obligor makes the following representations and warranties which shall be true, correct, and complete in all respects as of the date hereof, and shall be true, correct, and complete in all respects as of the Closing Date, and such representations and warranties shall survive the execution and delivery of this Agreement:

5.1 **No Encumbrances.** The Obligors, collectively, have good and indefeasible marketable title to the Collateral, including the Patent and the Service Mark, free and clear of all Liens except for Permitted Liens.

5.2 **Location of Chief Executive Office.** The chief executive office of each Obligor is set forth in the preamble on page 1 of this Agreement.

5.3 **Due Organization and Qualification; Subsidiaries.** Each Obligor is duly organized and existing and in good standing under the laws of the jurisdiction of its incorporation or organization and qualified and licensed to do business in, and is in good standing in, any state where the failure to be so licensed or qualified reasonably could be expected to have a Material Adverse Change.

5.4 **Due Authorization; No Conflict.**

(a) The execution, delivery, and performance by each Obligor of this Agreement and the Loan Documents to which any Obligor is a party and the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate or partnership actions.

(b) The execution, delivery, and performance by each Obligor of this Agreement and the Loan Documents to which any Obligor is a party do not and will not (i) violate any provision of federal, state, or local law or regulation applicable to any Obligor, the Governing Documents of any Obligor, or any order, judgment, or decree of any court or other governmental agency or authority binding on any Obligor, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation or material lease of any Obligor, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any properties or assets of any Obligor, other than Permitted Liens, or (iv) require any approval of stockholders or limited partners or any approval or consent of any Person under any material contractual obligation of any Obligor.

(c) Other than the filing of appropriate financing statements, fixture filings, and patent security interest filings, the execution, delivery, and performance by each Obligor of this Agreement and the Loan Documents to which any Obligor is a party do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any federal, state, foreign, or other governmental authority or other Person.

(d) This Agreement, the Loan Documents and the Collateral Agreements to which any Obligor is a party, and all other documents contemplated hereby and thereby, as or when executed and delivered by such Obligor are or will be, as applicable, the legally valid and binding obligations of such Obligor, enforceable against each such Obligor in accordance with their respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(e) The Liens granted by each Obligor to Lender in and to its properties and assets pursuant to this Agreement and the other Loan Documents are validly created and perfected first priority Liens (subject only to any Permitted Liens).

5.5 **Litigation.** Except as fully disclosed to Lender, there are no actions or proceedings pending by or against any Obligor before any court or administrative agency and no Obligor has any knowledge or belief of any pending, threatened, or imminent litigation, governmental investigations, or claims, complaints, actions, or prosecutions involving any Obligor, except for: (a) ongoing collection matters in which Obligor is the plaintiff and (b) matters arising after the date hereof that, if decided adversely to any Obligor, would not cause a Material Adverse Change.

5.6 **Compliance with Laws.** Except as previously fully disclosed to Lender concerning filing of tax returns, each Obligor has complied with the requirements of all applicable laws, rules, regulations, and orders of any governmental authority, including United States and Canadian tax laws and employee benefits laws.

5.7 **Ownership of Obligors.** 100% of the issued and outstanding shares of capital stock of RAS is owned by REC. Neither RAS nor REC owns any capital stock or other equity interest in any other Person.

6. COVENANTS.

Each Obligor covenants and agrees that, so long as any credit hereunder shall be available and until full and final payment of the Obligations, and unless Lender shall otherwise consent in writing:

6.1 **Notices.** Each Obligor will promptly give written notice to Lender of (i) the occurrence of any Default or Event of Default; (ii) the occurrence of any material damage to or destruction of the Collateral; (iii) the commencement or threat of any material litigation or proceedings against any Obligor or affecting the Collateral; (iv) any dispute between any Obligor and any governmental regulatory body or other party that involves any of the Collateral or that might materially interfere with the normal business operations of such Obligor.

6.2 **Laws; Operations.** Each Obligor will (i) duly observe and conform to all requirements of any governmental authorities relating to the conduct of its business, to the performance of its obligations hereunder, to the use, operation, or ownership of the Collateral, or to its properties or assets, (ii) maintain its existence as a legal entity and obtain and keep in full force and effect all rights, franchises, licenses and permits which are necessary to the proper conduct of its business; (iii) obtain or cause to be obtained as promptly as possible any governmental, administrative or agency approval and make any filing or registration therewith which at the time shall be required with respect to the performance of its obligations under this Agreement or the operation of its business; and (iv) pay all fees, taxes, assessments and governmental charges or levies imposed upon any of the Collateral.

6.3 **Accounting System, Methods.** The Obligors shall maintain a standard and modern system of accounting that enables each Obligor to produce financial statements in accordance with GAAP, and maintain records pertaining to the Collateral and all dealings or transactions relating to each such Obligor's businesses and activities. Neither Obligor will modify or change its method of accounting or enter into, modify, or terminate any agreement currently existing, or at any time hereafter entered into with any third party accounting firm or service bureau for the preparation or storage of any Obligor's accounting records without said accounting firm or service bureau agreeing to provide Lender information regarding the Collateral or any such Obligor's financial condition. Each Obligor waives the right to assert a confidential relationship, if any, it may have with any accounting firm or service bureau in connection with any information requested by Lender pursuant to or in accordance with this Agreement, and agrees that Lender may contact directly any such accounting firm or service bureau in order to obtain such information.

6.4 **Financial Statements, Reports, Certificates.** Deliver to Lender: (a) as soon as available, but in any event within 60 days after the end of each of the first three quarterly periods of each fiscal year, a balance sheet, income statement, and statement of cash flow covering each Obligor's operations during such period, all in reasonable detail, prepared in accordance with GAAP applied on a basis consistently maintained throughout the period involved and certified by the chief financial officer of each; and (b) as soon as available, but in any event within 120 days after the end of each respective fiscal year, financial statements of each Obligor for each such fiscal year, audited by independent certified public accountants reasonably acceptable to Lender and certified, without any qualifications, by such accountants to have been prepared in accordance with GAAP, together with a certificate of such accountants addressed to Lender stating that such accountants do not have knowledge of the existence of any Default or Event of Default. Such audited financial statements shall include a balance sheet, profit and loss statement, and statement of cash flow and, if prepared, such accountants' letter to management. In addition to the financial statements referred to above, each Obligor agrees to deliver financial statements prepared on a consolidating basis so as to present such Obligor and each related entity separately, and on a consolidated basis.

Each Obligor shall have issued written instructions to its independent certified public accountants authorizing them to communicate with Lender and to release to Lender whatever financial information concerning each such Obligor that Lender may request. Each Obligor hereby irrevocably authorizes and directs all auditors, accountants, or other third parties to deliver to Lender, at such Obligor's expense, copies of its financial statements, papers related thereto, and other accounting records of any nature in their possession, and to disclose to Lender any information they may have regarding such Obligor's business affairs and financial conditions.

6.5 **Insurance.**

(a) At its expense, maintain adequate liability insurance, in an amount not less than US\$50,000,000.

(b) All insurance required herein shall be at the Obligors' expense, written by companies of recognized financial standing, satisfactory to Lender. Such insurance shall be in form satisfactory to Lender, shall name Lender as additional insured, shall contain an agreement by the insurer that it will not cancel such policy except after thirty (30) days' prior written notice to Lender, and shall provide that any loss payable thereunder shall be payable notwithstanding any act or negligence of any Obligor or Lender which might, absent such agreement, result in a forfeiture of all or any part of such insurance payment.

6.6 **No Setoffs or Counterclaims.** Make or cause to be made all payments hereunder and under the other Loan Documents, made by or on behalf of any Obligor, without setoff or counterclaim and free and clear of, and without deduction or withholding for or on account of, any federal, state, or local taxes.

6.7 **Mechanic's Liens and Contest Thereof.** Obligor shall immediately inform Lender of any pending or threatened mechanics' lien or bonded stop notice claims to be filed or otherwise asserted against any part of the Collateral or against any funds covered by this Agreement and any and/or each such Obligor will promptly take all actions in its power to prevent and discharge the same, or, in case of the filing of any bonded stop notice claims; provided that in connection with any such lien, claim or stop notice which any such Obligor may in good faith desire to contest, such Obligor may contest the same by appropriate legal proceedings diligently prosecuted, but only if such Obligor shall furnish to Lender such security or indemnity as the Lender may require. Each Obligor agrees, upon demand by Lender, to defend, indemnify and hold Lender harmless against costs, expense and attorneys' fees incurred by Lender in connection with any such claim and/or stop notice and/or any action filed or asserted against Lender for any reason in connection therewith.

6.8 **No Other Indebtedness.** Each Obligor will not, without prior notice to Lender, create, incur, assume, permit, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except:

(a) Indebtedness evidenced by this Agreement;

(b) Indebtedness set forth in the latest financial statements of such Obligor on or prior to the Closing Date;

(c) Indebtedness secured by Permitted Liens; and

(d) refinancings, renewals, or extensions of Indebtedness permitted under clauses (b) and (c) of this Section 6.8 (and continuance or renewal of any Permitted Liens associated therewith) so long as: (i) the terms and conditions of such refinancings, renewals, or extensions do not materially impair the prospects of repayment of the Obligations, (ii) the net cash proceeds of such refinancings, renewals, or extensions do not result in an increase in the aggregate principal amount of the Indebtedness so refinanced, renewed, or extended, (iii) such refinancings, renewals, refundings, or extensions do not result in a shortening of the average weighted maturity of the Indebtedness so refinanced, renewed, or extended, and (iv) to the extent that Indebtedness that is refinanced was subordinated in right of payment to the Obligations, then the subordination terms and conditions of the refinancing Indebtedness must be at least as favorable to Lender as those applicable to the refinanced Indebtedness.

6.9 **Liens.** Each Obligor will not create, incur, assume, or permit to exist, directly or indirectly, any Lien on or with respect to any of its property or assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens (including Liens that are replacements of Permitted Liens to the extent that the original Indebtedness is refinanced under Section 6.8(d) and so long as the replacement Liens only encumber those assets or property that secured the original Indebtedness).

6.10 **Restrictions on Fundamental Changes.** Neither Obligor will, without the prior approval of Lender, enter into any merger, consolidation, reorganization, or recapitalization, or reclassify its capital stock, or liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, assign, lease, transfer, or otherwise dispose of, in one transaction or a series of transactions, all or any substantial part of its property or assets.

6.11 **Disposal of Assets.** Except for the facility located in Buffalo, New York, neither Obligor will sell, lease, assign, transfer, offer security interests in or otherwise dispose of any of any Obligor's properties or assets (including the Patent) other than sales of inventory to buyers in the ordinary course of such Obligor's business as currently conducted.

6.12 **Guarantee.** Other than the Guaranty given to Lender hereunder or in connection with the Director Loan Documents, neither Obligor will guarantee or otherwise become in any way liable with respect to the obligations of any third Person except by endorsement of instruments or items of payment for deposit to the account of Obligor or which are transmitted or turned over to Lender.

6.13 **Maintenance of Collateral.** Obligors shall at all times maintain the active status of the Patent and any other patents and inform Lender immediately of any potential lapses of patent or service mark registration. Neither Obligor shall grant any licenses in North America to any third parties for de-icing facilities without Lender's prior written consent

6.14 **Suspension.** Neither Obligor will suspend or go out of a substantial portion of its business.

6.15 **Change in Location of Chief Executive Office.** Neither Obligor will relocate its chief executive office to a new location without providing 30 days prior written notification thereof to Lender and so long as, at the time of such written notification, any such Obligor provides any financing statements or fixture filings necessary to perfect and continue perfected Lender's security interests.

7. GUARANTY OF OBLIGATIONS.

7.1 **Guaranty of Performance.** REC hereby unconditionally guarantees to Lender (i) the due and punctual payment of all payments of principal, interest and all other amounts when and as the same shall become due and payable by RAS under this Agreement or any other Loan Document and (ii) the performance and discharge of all of RAS's obligations and liabilities under this Agreement or any other Loan Document in accordance with the terms hereof or thereof, and hereby agrees that if RAS shall fail to pay any such amount when and as the same shall be due and payable, or to perform and discharge any such obligation or liability in accordance with the terms of this Agreement or any other Loan Document, REC will forthwith pay an amount equal to such amount or perform and discharge such obligation or liability, as the case may be, and will pay any and all damages that may be incurred or suffered in consequence thereof by Lender and all reasonable expenses, including attorneys' fees, that may be incurred by Lender in enforcing such obligations and liabilities and in enforcing the covenants and agreements of REC herein.

7.2 **Limits of Guaranty.** Following a payment Default, Guarantor shall immediately pay to Lender all amounts then owing from RAS and shall continue to pay Lender all amounts as they become due and payable (and any such amounts actually received by Lender from or on behalf of RAS [other than from REC] shall be immediately reimbursed to REC by Lender) until the first to occur of the following:

- (a) Lender receives payments from or on behalf of RAS (other than from Guarantor) equal to previous amounts RAS failed to pay so that no Default continues to exist; provided that if a subsequent Default occurs the payments by REC shall re-commence as though no payment had previously been made; or
- (b) A sale or other disposition of the Collateral is effected under all the Loan Documents and Lender has received all payments due to it under the Loan Documents.

7.3 **Guaranty Absolute.** The obligations of RAS shall remain in full force and effect without regard to, and shall not be impaired or affected by, any act or omission to act of any kind by Lender, or any other circumstances whatsoever which might constitute a legal or equitable discharge of a guarantor, including, but not limited to (a) any waiver, consent, extension, indulgence, release, discharge, surrender, modification, amendment or assignment or other like action in respect of this Agreement or any other Loan Document, (b) any exercise or

non-exercise by Lender of any right, remedy, power or privilege under or in respect of this Agreement or any other Loan Document or any waiver of any such right, remedy, power or privilege, (c) any sale, transfer or other disposition by REC of any shares of stock of RAS or (d) the invalidity, illegality or unenforceability of this Agreement or any other Loan Document for any reason; it being the intention of REC that its obligations under this Agreement shall be absolute and unconditional in any and all circumstances and that such obligations shall only be discharged by the payment in full of all sums, and the full and complete performance and discharge of all covenants, agreements and obligations, so guaranteed.

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

- (a) If any Obligor fails to pay when due and payable or when declared due and payable, any portion of the Obligations (whether of principal, interest (including any interest which, but for the provisions of the Bankruptcy Code, would have accrued on such amounts), fees and charges due Lender, reimbursement of Lender Expenses, or other amounts constituting Obligations);
- (b) If any Obligor fails or neglects to perform, keep, or observe any term, provision, condition, covenant, or agreement contained in this Agreement or the other Loan Documents, or in any other present or future agreement between any Obligor and Lender; and such failure or neglect continues and is not cured within forty-five (45) days;
- (d) If there is a Material Adverse Change;
- (e) If any material portion of any Obligor's properties or assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any third Person;
- (f) If an Insolvency Proceeding is commenced by any Obligor;
- (g) If an Insolvency Proceeding is commenced against any Obligor and any of the following events occur: (a) Such Obligor consents to the institution of the Insolvency Proceeding against it; (b) the petition commencing the Insolvency Proceeding is not timely controverted; (c) the petition commencing the Insolvency Proceeding is not dismissed within 60 calendar days of the date of the filing thereof; provided, however, that, during the pendency of such period, Lender shall be relieved of its obligation to extend credit hereunder; (d) an interim trustee is appointed to take possession of all or a substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Obligor; or (e) an order for relief shall have been issued or entered therein;
- (h) If any Obligor is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs;
- (i) If a notice of Lien, levy, or assessment is filed of record with respect to any of any Obligor's properties or assets by the United States Government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, or if any taxes or debts owing at any time hereafter to any one or more of such entities becomes a Lien, whether choate or otherwise, upon any of such Obligor's properties or assets and the same is not paid on the payment date thereof;
- (j) If a judgment or other claim becomes a Lien or encumbrance upon any material portion of any Obligor's properties or assets and the same is not discharged or bonded against within 30 days;

(l) If any Obligor makes any payment on account of Indebtedness that has been contractually subordinated in right of payment to the payment of the Obligations, except to the extent such payment is permitted by the terms of the subordination provisions applicable to such Indebtedness; or

(m) If any misstatement or misrepresentation exists now or hereafter in any warranty, representation, statement, or report with respect to or set forth in this Agreement made to Lender by any Obligor or any officer, employee, agent, or director of any Obligor, or if any such warranty or representation is withdrawn.

9. LENDER'S RIGHTS AND REMEDIES.

Rights and Remedies. Upon the occurrence, and during the continuation, of an Event of Default Lender may, at its election, without notice of its election and without demand, exercise all rights and remedies of a secured creditor under the Code or under law or equity as provided under the Collateral Agreements and the other Loan Documents, and, in addition, do any one or more of the following, all of which are authorized by each Obligor:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, to be immediately due and payable;

(b) Settle or adjust disputes and claims directly with account debtors for amounts and upon terms which Lender considers advisable, and in such cases, Lender will credit Obligor's Loan Account with only the net amounts received by Lender in payment of such disputed Accounts after deducting all Lender Expenses incurred or expended in connection therewith;

(c) Without notice to or demand upon any Obligor or any guarantor, make such payments and do such acts as Lender considers necessary or reasonable to protect its security interests in the Collateral. Each Obligor agrees to make the Collateral available to Lender as Lender may designate;

(d) Without notice to any Obligor (such notice being expressly waived), and without constituting a retention of any collateral in satisfaction of an obligation (within the meaning of Section 9-505 of the Code), set off and apply to the Obligations any and all (i) balances and deposits of any Obligor held by Lender, or (ii) indebtedness at any time owing to or for the credit or the account of any Obligor held by Lender;

(e) Sell the Collateral or partial or complete rights to use of the Collateral at either a public or private sale, or both, by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including any Obligor's premises) as Lender determines is commercially reasonable;

(f) Lender may credit bid and purchase at any such public sale; and

(g) Any deficiency that exists after disposition of the Collateral as provided above will be paid immediately by the Obligors. Any excess will be returned, without interest and subject to the rights of third Persons, by Lender to Obligors.

9.2 **Remedies Cumulative.** Lender's rights and remedies under this Agreement and all other agreements shall be cumulative. Lender shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by Lender of one right or remedy shall be deemed an election, and no waiver by Lender of any Event of Default shall be deemed a continuing waiver. No delay by Lender shall constitute a waiver, election, or acquiescence by it.

10. WAIVERS; INDEMNIFICATION

10.1 **Demand; Protest; etc.** Each Obligor waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release,

compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees at any time held by Lender on which any Obligor may in any way be liable.

10.2 **Indemnification.** Each Obligor shall pay, indemnify, defend, and hold Lender and each of its officers, directors, employees, counsel, agents, and attorneys-in-fact (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all: (a) obligations, demands, claims, and liabilities claimed or asserted by any other Person arising out of or relating to the transactions contemplated by this Agreement or any other Loan Document including, but not limited to, those claimed by any broker or finder, and (b) any and all losses, liabilities, contingent liabilities, damages, obligations, claims, contingent claims, actions, suits, proceedings, disbursements, penalties, costs, and expenses (including, without limitation, actual attorneys' fees and costs of counsel retained by Lender to monitor the proceedings and actions of Obligor in satisfying its obligations hereunder, and to advise and represent Lender with respect to matters related hereto, including, without limitation, fees incurred pursuant to 11 U.S.C.) and all other professional or consultants' fees and expenses), whether or not an action or proceeding is commenced or threatened ("Losses") suffered or incurred by any Indemnified Person (all of the foregoing, collectively, the "Indemnified Liabilities"). Obligors shall have no obligation to any Indemnified Person under this Section 10.2 with respect to any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence or willful misconduct of such Indemnified Person. This provision shall survive the termination of this Agreement.

11. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight commercial courier, or telefacsimile to any Obligor or to Lender, as the case may be, at its address set forth below:

IF TO LENDER:

Boeing Capital Corporation
3780 Kilroy Airport Way, Suite 750
Long Beach, California 90806-6806
Attn: Joseph L. Corff
Fax: (562) 997-3328

IF TO OBLIGORS:

Radiant Aviation Services/ Radiant Energy Corporation
14 West Pier
Port Colborne, Ontario L3K 1B7
Attn: Colin V.F. Digout
Fax: 716-662-0033

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other. All notices or demands sent in accordance with this Section 11, other than notices by Lender in connection with Sections 9-504 or 9-505 of the Code, shall be deemed received on the earlier of the date of actual receipt or when delivered if given by personal delivery or overnight commercial carrier; on the third calendar day after the deposit thereof in the United States mail, or, when transmitted if sent by telecopier. Each Obligor acknowledges and agrees that notices sent by Lender in connection with Sections 9-504 or 9-505 of the Code shall be deemed sent when deposited in the mail or personally delivered, or, where permitted by law, transmitted telefacsimile or other similar method set forth above.

12. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANY OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA OR, AT THE SOLE OPTION OF LENDER, IN ANY OTHER COURT IN WHICH LENDER SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. EACH OF EACH OBLIGOR AND LENDER WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 12. EACH OBLIGOR AND LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH OF EACH OBLIGOR AND LENDER REPRESENTS THAT IT HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

13 GENERAL PROVISIONS.

13.1 **Effectiveness.** This Agreement shall be binding and deemed effective when executed by any Obligor and Lender.

13.2 **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that Obligor may not assign this Agreement or any rights or duties hereunder without Lender's prior written consent and any prohibited assignment shall be absolutely void. No consent to an assignment by Lender shall release any Obligor from its Obligations nor be deemed to waive the requirement of obtaining consent to future assignments. Lender may assign this Agreement and its rights and duties hereunder and no consent or approval by any Obligor is required in connection with any such assignment. Lender reserves the right to sell, assign, transfer, negotiate, or grant participations in all or any part of, or any interest in Lender's rights and benefits hereunder. In connection with any such assignment or participation, Lender may disclose all documents and information which Lender now or hereafter may have relating to any Obligor or any Obligor's business. To the extent that Lender assigns its rights and obligations hereunder to a third Person, Lender thereafter shall be released from such assigned obligations to such Obligor and such assignment shall effect a novation between such Obligor and such third Person.

13.3 **Section Headings.** Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each section applies equally to this entire Agreement.

13.4 **Interpretation.** Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Lender or any Obligor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

13.5 **Severability of Provisions.** Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

13.6 **Amendments in Writing.** This Agreement can only be amended by a writing signed by both Lender and each Obligor.

13.7 **Counterparts; Telefacsimile Execution.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and/or binding effect of this Agreement.

13.8 **Revival and Reinstatement of Obligations** If the incurrence or payment of the Obligations by any Obligor or any guarantor of the Obligations or the transfer by either or both of such parties to Lender of any property of either or both of such parties should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent conveyances, preferences, and other voidable or recoverable payments of money or transfers of property (collectively, a "Voidable Transfer"), and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the reasonable advice of its counsel, then, as to any such Voidable Transfer, or the amount thereof that Lender is required or elects to repay or restore, and as to all reasonable costs, expenses, and attorneys fees of Lender related thereto, the liability of such Obligor or such guarantor automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

13.9 **Lending Relationship.** Nothing contained in the this Agreement or any of the other Loan Documents shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture, or any association between any Obligor and Lender, it being expressly understood and agreed that nothing contained in this Agreement or the other Loan Documents shall be deemed to create any relationship between any obligor and Lender other than the relationship of obligor and lender.

13.10 **Integration.** This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first set forth hereinabove.

LENDER:

BOEING CAPITAL CORPORATION

By: _____
Name: _____
Title: _____

OBLIGORS:

RADIANT AVIATION SERVICES, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

RADIANT ENERGY CORPORATION

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first set forth hereinabove.

LENDER:

BOEING CAPITAL CORPORATION

By: [Signature]
Name: Stephen N. Gray
Title: Managing Director

OBLIGORS:

RADIANT AVIATION SERVICES, INC.

By: [Signature]
Name: COLIN V. F. DIDOUT
Title: PRESIDENT AND CFO

By: _____
Name: _____
Title: _____

RADIANT ENERGY CORPORATION

By: [Signature]
Name: COLIN V. F. DIDOUT
Title: PRESIDENT AND CFO

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first set forth hereinabove.

LENDER:

BOEING CAPITAL CORPORATION

By: _____
Name: _____
Title: _____

OBLIGORS:

RADIANT AVIATION SERVICES, INC.

By: [Signature]
Name: COLIN V.F. DIBOUT
Title: JUNE 27, 2002

By: _____
Name: _____
Title: _____

RADIANT ENERGY CORPORATION

By: [Signature]
Name: COLIN V.F. DIBOUT
Title: JUNE 27, 2002

By: _____
Name: _____
Title: _____