

RECORDATION FORM COVER SHEET PATENTS ONLY		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office
Form PTO-1595 (rev. 10/02) USPTO No. 0651-0027 (exp. 6/30/2005) Tab settings: [] [] [] [] [] [] [] []		
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.		
1. Name of conveying party(ies): Broadcast Electronics, Inc.	2. Name and address of receiving party(ies) Name: Legg Mason SBIC Mezzanine Fund, L.P. Internal Address: _____ _____ _____ Street Address: 111 South Calvert Street Suite 1800 _____ City: Baltimore State: MD Zip: 21202 Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____ Execution Date: 1/22/04		
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) 4,558,285 _____ Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
5. Name and address of party to whom correspondence concerning document should be mailed: Name: Vasilios Peros Internal Address: _____ _____ _____ Street Address: Venable LLP Two Hopkins Plaza, Suite 1800 _____ City: Baltimore State: MD Zip: 21201	6. Total number of applications and patents involved: 1 7. Total fee (37 CFR 3.41).....\$ 40 <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: 22-0261	
DO NOT USE THIS SPACE		
9. Signature: Vasilios Peros Name of Person Signing Signature: <i>Vasilios Peros</i> Date: 3/17/04 Total number of pages including cover sheet, attachments, and documents: 7		

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

CH \$40.00 220261 4558285

700072597

PATENT
REEL: 014428 FRAME: 0688

EXECUTION VERSION

GRANT OF SECURITY INTEREST IN PATENTS

THIS GRANT OF SECURITY INTEREST IN PATENTS ("**Agreement**") is made as of January 22, 2004, by and between **BROADCAST ELECTRONICS, INC.**, a Rhode Island corporation (the "**Grantor**"), and **LEGG MASON SBIC MEZZANINE FUND, L.P.**, a Delaware limited partnership (the "**Secured Party**").

WHEREAS, Secured Party has agreed to loan Four Million Dollars (\$4,000,000) to Grantor, pursuant to that certain Note Purchase Agreement dated of even date herewith (as amended, modified or supplemented from time to time, the "**Note Purchase Agreement**"), between Grantor, Secured Party and certain other parties; and

WHEREAS, pursuant to terms of the Note Purchase Agreement, as a condition of advancing such loan, Secured Party requires that Grantor enter into this Agreement.

NOW THEREFORE, in consideration of the promises and the covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the undersigned parties agree as set forth below.

1. Grant of Security Interest. Grantor hereby grants to Secured Party a security interest in all of Grantor's now-existing or hereafter acquired right, title and interest in and to all patents and patent applications in the United States of America and all foreign countries thereto, including without limitation, the patents and patent applications identified in Exhibit A herein, and all continuations, continuations-in-part, divisions, substitutions, extensions, reissues and reexaminations thereof (the "**Patents**"); and any and all proceeds thereof, including without limitation, any claims by Grantor against third parties for infringement of the Patents (collectively, the "**Collateral**").

2. Obligations Secured/ Limitations. This Agreement is made to Secured Party to secure the payment and performance of all obligations under the Note Purchase Agreement (the "**Obligations**"). Grantor does hereby further acknowledge that the rights and remedies of Secured Party with respect to the security interest in the Collateral granted hereunder are more fully set forth in the Note Purchase Agreement, the terms and provisions of which (including defined terms) are incorporated herein by reference. Except as otherwise explicitly provided in this Assignment, if any provision contained in this Assignment is in conflict with or inconsistent with any provision in the Note Purchase Agreement, the provisions contained in the Note Purchase Agreement shall govern and control, to the extent of such conflict or inconsistency. Notwithstanding anything in this Agreement or any other Financing Document to the contrary, Lender shall not take any action (including without limitation foreclosure, sale or assignment) with respect to its security interest in any Contract Asset or any other Collateral incorporating or subject to any Contract Asset, to the extent the same would violate the terms of the Grantors' agreements giving rise to or governing the Contract Asset. As used herein, the term "Contract Assets" means, collectively, Equipment subject to lease,

Grantors' interest therein or in any lease agreement, or a General Intangible (including without limitation a contract, permit, license, or franchise).

3. Miscellaneous.

(a) **Satisfaction.** Upon the satisfactory completion of all the terms and conditions of the Obligations and upon payment in full of all monies due thereunder, Secured Party will execute and deliver a termination statement regarding the security interest in the Collateral and a re-assignment of the Collateral, if applicable, to Grantor for filing by Grantor, and execute and deliver for filing by Grantor any other instrument or document as may be reasonably requested by Grantor to effect such termination and re-assignment, at Grantor's expense.

(b) **Severability; Captions.** In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement, which shall be deemed severable. The captions and paragraph headings shall not be considered part of this Agreement.

(c) **Parties; Changes.** This Agreement shall be binding upon and for the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

(d) **Choice of Law.** The validity, interpretation and effect of this Agreement shall be governed by the laws of the State of Maryland without regard to its rules for conflicts of law.

(e) **Counterparts.** This Agreement may be executed by the parties in one or more counterparts, each of which shall be binding against the signatory and all of which taken together shall constitute one instrument.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this **Grant of Security Interest in Patents** as of the day and year first above written.

GRANTOR:

BROADCAST ELECTRONICS, INC.

By: Timothy M. Spencer
Name: Timothy M. Spencer
Title: Secretary/Treasurer

SECURED PARTY:

**LEGG MASON SBIC MEZZANINE
FUND, L.P.**, a Delaware limited partnership

By: Legg Mason SBIC Mezzanine Fund
Management LLC, its general partner

By: _____
Name: Andrew L. John
Its: Member

IN WITNESS WHEREOF, the parties hereto have executed this **Grant of Security Interest in Patents** as of the day and year first above written.

GRANTOR:

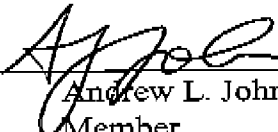
BROADCAST ELECTRONICS, INC.

By: _____
Name: _____
Title: _____

SECURED PARTY:

**LEGG MASON SBIC MEZZANINE
FUND, L.P.**, a Delaware limited partnership

By: Legg Mason SBIC Mezzanine Fund
Management LLC, its general partner

By:  _____
Name: Andrew L. John
Its: Member

STATE OF Illinois)
)
CITY/COUNTY OF Cook)

I HEREBY CERTIFY that on January 22, 200⁴1, before me, a Notary Public of the State of Illinois, personally appeared Timothy M. Spencer who acknowledged himself to be the Secretary/Treasurer of Broadcast Electronics, Inc. (the "Corporation") and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself as such officer.

WITNESS my hand and Notarial Seal.

Sharon L. Ricciardi
Notary Public
My Commission Expires: _____



EXHIBIT A**Patents****Current Patents**

<u>Company</u>	<u>Patent</u>	<u>Country</u>	<u>Registration No.</u>	<u>Date</u>
Broadcast Electronics, Inc.	Impedance – Matching Device for Power Amplifier Circuit	U.S.	4,558,285	12-10-85

All rights to patents granted under the Asset Purchase Agreement among BEI, Cellcast, Inc. and Artran, Inc. dated December 16, 1996.

Patent Applications

None

CH2\1076516.1