

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Aerospace Technology Group, Inc.	01/26/2005
RECEIVING PARTY DATA	
Name:	Autry Community Property Trust Dated March 15, 1985, Jacqueline Autry, Trustee.
Street Address:	4383 Colfax Ave.
City:	Studio City
State/Country:	CALIFORNIA
Postal Code:	91604
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	6186211
CORRESPONDENCE DATA	
Fax Number:	(888)325-9188
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	4012766629
Email:	trademark@edwardsangell.com
Correspondent Name:	Efrosyni Iosiphidis
Address Line 1:	PO Box 55874
Address Line 4:	Boston, MASSACHUSETTS 02205
NAME OF SUBMITTER:	Efrosyni Iosiphidis
Total Attachments: 7 source=20050207141646_001#page1.tif source=20050207141646_001#page2.tif source=20050207141646_001#page3.tif source=20050207141646_001#page4.tif source=20050207141646_001#page5.tif source=20050207141646_001#page6.tif source=20050207141646_001#page7.tif	

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PATENT

PATENT SECURITY AGREEMENT

This Patent Security Agreement is entered into as of the 16 day of January, 2005, by and between **Aerospace Technologies Group, Inc.**, ("Debtor"), and **Autry Community Property Trust Dated March 15, 1985, Jacqueline Autry, Trustee** ("Secured Party"). Debtor and Secured Party hereby agree as follows:

I. **Creation of Security Interest.** Debtor hereby grants the Secured Party a security interest in the collateral defined in Paragraph II of this Agreement to secure performance and payment of all obligations and indebtedness of Debtor to Secured Party with respect to or arising under or in connection with certain promissory notes, including a \$2,700,000 Promissory Note dated March 16, 2004; a \$300,000 Promissory Note dated August 27, 2004; a \$200,000 Promissory Note dated November 5, 2004; a \$300,000 Promissory Note dated November 26, 2004; and a \$ 120,000 Promissory Note dated even date (the "Notes").

II. **Collateral.** The collateral shall consist of the following:

1. A Security Interest in United States Letter Patent No. 6, 186,211 B1 bearing the date of February 13, 2001, with Byron R. Knowles of Palm Beach Gardens, Florida, as inventor, and titled "WINDOW ASSEMBLY WITH A MOTORIZED WINDOW SHADE MECHANISM" (hereinafter called the "Patent"), pursuant to and on the terms and conditions stated in this Agreement.

III. **Payment Obligations of Debtor.** This security interest is given to secure:

1. The payment of all indebtedness of Debtor to Secured Party together with interest, costs and attorney fees thereon as set forth in and evidenced by the Notes, and secured by this Agreement; together with any and all extensions, renewals, amendments or modifications thereof;

2. The performance of each and every covenant and agreement of Debtor contained in the Note and each covenant and agreement of Debtor contained in this Agreement;

3. The payment of all costs and expenses incurred in the collection or enforcement of the Notes and this Agreement, including reasonable attorney's fee;

4. The payment of all commercially reasonable costs and expenses incurred in the enforcement of Secured Party's rights hereunder;

IV. **Debtor Representations and Warranties.** Debtor represents and warrants that:

1. All information supplied and statements made by Debtor contemporaneously with, or subsequent to the execution of this Agreement, are and shall be true, complete, correct, valid and fairly represent the financial condition of Debtor as of the day and for the period shown therein, and all other information and documents furnished to Secured Party are, and shall be at the time furnished, accurate and correct in all material respects and that there has been no

material change in the financial condition of the Debtor since the effective date of the last furnished financial information which has not been reported to Secured Party in writing;

2. Debtor will furnish Secured Party information adequate to identify accurately the collateral, in a form and substance and at times as may be reasonably requested by Secured Party.

3. Debtor will at all times maintain books and records covering the collateral. The Secured Party is hereby given the right and privilege of making such inspections of the collateral as it deems necessary and of auditing or causing an audit or verification of the books and records of the Debtor relating to the collateral at any time and from time to time, including contacting of customers or suppliers of Debtor in connection with such audit or verification. Debtor agrees to assist Secured Party to facilitate such audits, verifications and inspections;

4. No financing statement covering the collateral or its proceeds is on file in any public office which will not be released prior to perfection of Secured Party's security interest; except for the security interest granted herein in this Agreement or other security instrument in favor of Secured Party. There is no lien, security interest or encumbrance in or on the collateral other than as provided for herein and that Debtor is the owner of all collateral subject to this Agreement;

5. Debtor will not sell, lease, encumber or otherwise dispose of any inventory except in the ordinary course of business without the prior written consent of Secured Party;

6. Debtor will pay, prior to the delinquency thereof, all taxes, charges, liens and assessments against the collateral, and upon Debtor's failure to do so, Secured Party, at its option, may pay any of them and shall be the sole judge of the legality and validity thereof and the amount necessary to discharge the same. Such payment shall become part of the indebtedness secured by this Agreement and shall be paid to Secured Party by Debtor immediately and without demand, with interest thereon at the rate ten percent (10%) per annum, provided, Debtor shall at all times (but not while in default) have the right to challenge any tax, charge, lien or assessment to the extent permitted under this Agreement;

7. Debtor will maintain insurance at all times with respect to collateral against risk of fire, theft and other such risks as Secured Party may reasonably require, including standard extended coverage. Such insurance policy shall contain such terms, be in a form, for a period, and be written by a company satisfactory to Secured Party. All policies of insurance shall provide for ten (10) days written minimum cancellation notice to Secured Party. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Secured Party may apply any proceeds of such insurance which may be received by it in payment on account of the obligations secured hereby, whether due or not;

8. Debtor shall execute and file any financing statements, continuation statements, affidavits or other documents as Secured Party may require from time to time to perfect, confirm

and continue in effect the security interest herein granted, each such statement, affidavit or other document to be in a form and content satisfactory to Secured Party;

V. **Events of Default.** Debtor shall be in default under this Agreement upon the following events or conditions:

1. Default in the payment of any amount due under the Note, which is not timely cured or in the performance of any obligation, covenant or warranty of Debtor to Secured Party in any agreement between the parties which is not timely cured;

2. Any warranty, representation, financial information or statement made or furnished to Secured Party by or on behalf of Debtor or in any other connection made to induce Secured Party to enter into this Agreement or in conjunction therewith, proves to have been false in any material respect when made or furnished;

3. The making of any levy, seizure or attachment of any of the collateral which is successful;

4. Loss, theft, substantial damage or destruction of collateral not covered by insurance;

5. Any event which results in the acceleration of the maturity of the indebtedness of Debtor under the Note;

6. Dissolution, termination of existence, insolvency, failure to pay any material indebtedness of Debtor at maturity, appointment of a Receiver over any part of Debtor's property or any part of the collateral not released within sixty (60) days, assignment for the benefit of creditors, or the commencement of any proceeding under any Bankruptcy or insolvency law by or against Debtor or surety for Debtor not dismissed within sixty (60) days; and

7. Notice of a purchase money security interest by a third party in any inventory of Debtor, unless a prior waiver of such security interest has been obtained in writing from Secured Party.

VI. **Remedies.** (1) Upon the occurrence of an event of default, Secured Party may, upon providing Debtor with written notice fifteen (15) days in advance, and if such default is not cured within said fifteen (15) day period, declare all liabilities secured hereby immediately due and payable, and may proceed to enforce payment and performance of same and exercise any and all rights and remedies provided by the Uniform Commercial Code of the state in which Secured Party is located, as well as all other rights and remedies possessed by Secured Party. Secured Party shall further be entitled to the immediate possession of all books and records evidencing the collateral and shall have the authority to enter upon the premises on which the collateral and the records thereof are located and to remove the books and records therefrom. Secured Party may also require Debtor to assemble the collateral or evidence thereof and make it available to Secured Party at any place designated by Secured Party which is reasonably

convenient to both parties. Unless the collateral in whole or in part is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market Secured Party will, as required by the Uniform Commercial Code, give Debtor reasonable notice of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made. The Secured Party may be a purchaser at a public sale. The requirement of reasonable notice shall be met if notice is mailed, postage prepaid, to the address of Debtor provided herein at least five (5) days before the sale or other disposition.

2. Secured Party may, upon the occurrence of an event of default, immediately apply cash deposits of Debtor against any liabilities of Debtor selected by Secured Party, and for this purpose Debtor agrees that cash or equivalents will be considered identical to cash proceeds. Secured Party will have the right immediately and without further action to set off against the liabilities secured hereby all money owed by Secured Party to Debtor, whether due or not due, and Secured Party will be deemed to have exercised such right of set-off.

3. Secured Party may, upon the occurrence of an event of default not timely cured as provided for herein or in the Loan Agreement, transfer any of the collateral or evidence thereof into its own name or that of a nominee and receive the proceeds therefrom and hold the same as security for payment under the Note or apply it on principal or interest. Secured Party may also demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, release or realize upon collateral in its own name or in the name of the Debtor as Secured Party may determine. Secured Party shall not be liable for the failure to collect any account or enforce any contract right or for any act or omission on the part of Secured Party, its officers, agents or employees, except willful misconduct.

VII. General.

1. Expenditures of Secured Party. Debtor shall be liable for and agrees to pay Secured Party all commercially reasonable expenditures of Secured Party for taxes, insurance, repairs to and maintenance of collateral, and all costs, attorneys fees and other expenditures of Secured Party in the enforcement or collection of the Note or in the enforcement or collection of any account receivable, contract right, chattel paper instrument or document in which the Secured Party has a security interest, or in the holding, preparing for sale or sale of any collateral.

2. Waivers. No act, delay, omission or course of dealing between Debtor and Secured Party, including Secured Party's waiver of remedy because of any default hereunder, will constitute a waiver of any of Secured Party's rights and remedies under this Agreement or any other agreement between the parties. Waiver by Secured Party of any rights or remedies under the terms of this Agreement or with respect to any of the Debtor's liabilities to Secured Party will not be a bar to the exercise of any right or remedy on any subsequent occasion. All rights and remedies of Secured Party are cumulative and may be exercised singularly or concurrently, and the exercise of any one or more of them will not be a waiver of any other. No waiver, modification or discharge of any of Secured Party's rights or Debtor's duties as so specified or allowed will be effective unless in writing and signed by Secured Party.

3. **Agreement Binding on Assigns.** This Agreement shall be binding upon the successors and assigns of the parties.

4. **Rights of Secured Party Assignable.** Secured Party at any time and at its option may pledge, transfer or assign its rights under this Agreement or any part of said rights, and any pledgee, transferee or assignee shall have all the rights of Secured Party as to the rights or parts thereof so pledged, transferred or assigned.

5. **Federal Assignment of Claims Act.** If any of the collateral assigned hereunder is or becomes subject to the Federal Assignment of Claims Act, Debtor will execute all instruments and take all steps required by Secured Party to comply with said Act.

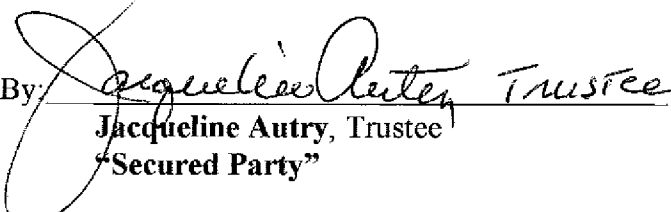
6. **Separability of Provisions.** If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

7. **Release.** At such time as all obligations of Debtor to Secured Party are paid in full, Secured Party agrees to release the security interest herein granted and file or provide to Debtor for filing, termination statements covering the collateral described herein.

[Signatures on next page]

In Witness Whereof, the parties hereto have set their hands and seals as of the day and year above written.

**Autry Community Property Trust Dated
March 15, 1985, Jacqueline Autry, Trustee**

By:  Trustee
**Jacqueline Autry, Trustee
"Secured Party"**

**Aerospace Technologies Group, Inc.,
a Florida corporation**

By: _____
**Clete McQuinn, Chief Executive Officer
"Debtor"**

In Witness Whereof, the parties hereto have set their hands and seals as of the day and year above written.

**Autry Community Property Trust Dated
March 15, 1985, Jacqueline Autry, Trustee**

By: _____
**Jacqueline Autry, Trustee
"Secured Party"**

**Aerospace Technologies Group, Inc.,
a Florida corporation**

By: *Clete McQuinn*
**Clete McQuinn, Chief Executive Officer
"Debtor"**