

11-01-2004



10/28/04

To the Director of the U.S. Patent &

102872388

marks or the new address(es) below.

1. Name of conveying party(ies) Execution Date(s):

Piase Technology, Inc.

Execution Date(s) October 14, 2004

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Name: First National Bank of Omaha

Internal Address:

Street Address: 1620 Dodge Street

Stop 4250

City: Omaha

State: Nebraska

Country: U.S. Zip: 68197

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

4. Application or patent number(s):

A. Patent Application No.(s)

This document is being filed together with a new application.

B. Patent No.(s)

4,060,777

Additional numbers attached?  Yes  No

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

Name: Joseph Kavan

Internal Address: Katak Rock LLP

Street Address: 1650 Farnam Street

City: Omaha

State: Nebraska Zip: 68102

Phone Number: 402-346-6000

Fax Number: 402-346-1148

Email Address: Joseph.Kavan@KatakRock.com

6. Total number of applications and patents involved:

1

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 40.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting fee)

8. Payment Information

a. Credit Card Last 4 Numbers \_\_\_\_\_  
Expiration Date \_\_\_\_\_

b. Deposit Account Number \_\_\_\_\_

Authorized User Name \_\_\_\_\_

9. Signature:

*David L. Pava*  
Signature

10/14/04  
Date

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents: 16

Documents to be recorded (including cover sheet) should be filed to (703) 308-9000, or mailed to: Mail Stop Assignment Registration Services, Director of the USPTO, P.O. Box 1480, Alexandria, VA 22304-1480

10/29/2004 ECDOPER 00000111 4060777

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**PATENT SECURITY AGREEMENT**

dated as of October 14, 2004

among

**M-TRON INDUSTRIES, INC.,**

**PIEZO TECHNOLOGY, INC.,**

as Borrowers

and

**FIRST NATIONAL BANK OF OMAHA,**

as Secured Party

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# PATENT SECURITY AGREEMENT

**THIS PATENT SECURITY AGREEMENT** (this "Agreement"), dated as of October 14, 2004, is made by and among **M-TRON INDUSTRIES, INC.**, a Delaware corporation ("M-TRON"), **PIEZO TECHNOLOGY, INC.**, a Florida corporation ("PIEZO") (M-TRON and PIEZO are collectively referred to as the "Borrowers") and **FIRST NATIONAL BANK OF OMAHA**, a national banking association, with principal offices at 1620 Dodge Street, Stop 1050, Omaha, Nebraska 68197-1050 (the "Secured Party").

## WITNESSETH:

WHEREAS, pursuant to that certain loan agreement, dated as of October 14, 2004, by and among the Borrowers and the Secured Party, as lender (the "Loan Agreement"), the Secured Party has agreed to lend the Borrowers \$10,500,000;

WHEREAS, PIEZO owns one hundred percent (100%) of a certain invention entitled "Crystal resonator having reduced acceleration sensitivity" registered as U.S. Patent No. 5,323,083; one hundred percent (100%) of a certain invention entitled "Guided elastic surface wave filter" registered as U.S. Patent No. 4,060,777; and one hundred percent (100%) of a certain invention entitled "Crystal resonator with acceleration sensitivity adjustable by external means" registered as U.S. Patent No. 5,041,754; M-TRON owns one hundred percent (100%) of a certain invention entitled "Selected Overtone Resonator with Channels" registered as U.S. Patent No. 6,016,025 (said inventions, patents and all similar legal protections, not only in the United States and its territorial possessions, but in all countries foreign thereto, in existence or to be obtained for said inventions or any continuation, division, renewal, substitute or reissue thereof or any legal equivalent thereof in a foreign country for the full term or terms for which the same may be granted, including all priority rights under the International Convention, and any improvement thereof, the "Patents");

WHEREAS, it is a condition to the funding of the loan from the Secured Party to Borrowers that Borrowers execute and deliver this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the undersigned hereby agree as follows:

## ARTICLE I

### DEFINED TERMS

Unless otherwise defined herein, terms defined in the Loan Agreement shall have such defined meanings when used herein.

## ARTICLE II

### GRANT AND PERFECTION OF SECURITY INTEREST

#### Section 2.1. Collateral.

(a) As collateral security for the prompt and complete payment and performance when due, whether at stated maturity, by acceleration or otherwise (including the payment of amounts which would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), of all of the obligations of the Borrowers under the Loan Agreement, whether now existing or hereafter arising and howsoever evidenced, Borrowers hereby pledge, grant, assign, hypothecate, transfer and deliver to the Secured Party, a first priority security interest in the following, whether now existing or hereafter from time to time acquired (collectively, the "Collateral"):

(b) all of Borrowers right, title and interest in and to the Patents, together with any application, issue, re-examination, re-issue, continuation, continuation-in-part, division, improvement or extension thereof;

(c) all rights appurtenant to the property described above; and

(d) all proceeds of any and all of the foregoing, including without limitation, any and all causes of action for infringement for the full term of the Patents and any and all royalties for any licenses or sublicense thereof and in addition, all cash, instruments and other property or proceeds, from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing.

As used herein, the term "proceeds" shall be construed in its broadest sense and shall include whatever is received or receivable when any of the Collateral, or any proceeds thereof, is sold, collected, exchanged or otherwise disposed of, whether voluntarily or involuntarily, and shall include, without limitation, all rights to payment, including interest and premiums, with respect to any of the Collateral or any proceeds thereof.

Borrowers do hereby further acknowledge and affirm the rights and remedies of Secured Party with respect to the assignment of and security interest in the Collateral made and granted hereby as more fully set forth in the Loan Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein. This Agreement shall constitute a security agreement to the extent the Collateral constitutes personal property and the Lender shall have all of the rights of a secured party under the applicable statutes, including the Uniform Commercial Code of the State of Florida (for PIEZO) and the Uniform Commercial Code of the State of South Dakota (for M-TRON), as they may be amended from time to time.

**Section 2.2. Perfection of Security Interest in Collateral.** Borrowers are authorized to perform each and every act which Secured Party considers necessary and desirable to protect and preserve the Collateral and to perfect Secured Party's security interest therein. In that regard, Borrowers agree to execute such financing statements, collateral assignments and such other documents as may be required by the United States Patent and Trademark Office, any successor,

and any other body having jurisdiction over all or any portion of the Patents, and to take whatever other action is requested by Secured Party to perfect and continue the security interest granted hereby in the United States or any other jurisdiction.

### **Section 2.3. Rights of Borrowers.**

(a) **Distributions.** Unless an Event of Default shall have occurred and be continuing, Borrowers shall, to the extent they have rights in the Collateral, be entitled to receive and retain any and all proceeds in respect of the Collateral in compliance with the terms of the other Loan documents, including but not limited to the Loan Agreement; provided, however, that any and all Proceeds received in respect of any Collateral (whether paid in cash, securities or other property) in connection with, and all property (whether cash, securities or other property) paid, payable or otherwise distributed in exchange for the property described immediately above, shall be, and shall be forthwith delivered to Secured Party to hold as Collateral and shall, if received by Borrowers, be received in trust for the benefit of Secured Party, be segregated from the other property or funds of Borrowers, as applicable, be forthwith delivered to Secured Party as Collateral and, if elected by Borrowers, applied to the payment of the obligations under the Loan Agreement. Upon the occurrence and during the continuance of an Event of Default, all rights of Borrowers to receive proceeds which it would otherwise be authorized to receive and retain pursuant to the preceding sentence shall cease, and all such rights shall thereupon become vested in Secured Party which shall thereupon have the sole right to receive and hold as Collateral.

(b) **Other Rights.** Unless an Event of Default shall have occurred and be continuing, Borrowers shall be entitled to exercise all other rights, to the extent they have rights in the Collateral, with respect to the Collateral; provided, however, that no right shall be exercised or other action taken which could materially impair the Collateral or which would be inconsistent with or result in any violation of any provision of this Agreement or any other Loan document. Upon the occurrence and during the continuance of an Event of Default, all rights of Borrowers with respect to the Collateral which Borrowers would otherwise be entitled to exercise pursuant to the terms of this Agreement shall cease, and all such rights shall be vested in Secured Party which shall thereupon have the sole right to exercise such rights.

(c) **Turnover.** All proceeds which are received by Borrowers contrary to the provisions of this Agreement shall be received in trust for the benefit of Secured Party, shall be segregated from other funds of Borrowers, and shall be forthwith paid over to Secured Party as Collateral in the same form as so received.

**Section 2.4. Secured Party Not Liable.** The Secured Party, nor any of its directors, officers, employees or agents shall have any obligations or liability under or with respect to any Collateral by reason of or arising out of this Agreement, except as set forth in the Uniform Commercial Code as in effect from time to time in the State of Florida (for PIEZO) or except as set forth in the Uniform Commercial Code as in effect from time to time in the State of South Dakota (for M-TRON), or the receipt by Secured Party of any payment relating to any Collateral, nor shall the Secured Party or any of its directors, officers, employees or agents be obligated in

any manner to (a) perform any of the obligations of Borrowers under or pursuant to any agreement to which Borrowers are a party, (b) make any payment or to inquire as to the nature or sufficiency of any payment or performance with respect to any Collateral, (c) present or file any claim or collect the payment of any amounts or take any action to enforce any performance with respect to the Collateral or (d) take any other action whatsoever with respect to the Collateral.

**Section 2.5. Attorney-in-Fact.**

(a) Borrowers hereby appoint Secured Party, or any Person, officer or agent whom the Secured Party may designate, as its true and lawful attorney-in-fact and proxy, with full irrevocable power and authority in the place and stead of Borrowers and in the name of Borrowers or in its own name, at the Borrowers joint and several cost and expense, from time to time upon the occurrence and during the continuance of an Event of Default in Secured Party's reasonable discretion to take any action and to execute any instrument which Secured Party may reasonably deem necessary or advisable to enforce its rights under this Agreement, including, without limitation, authority to receive, endorse and collect all instruments made payable to Borrowers representing any proceeds in respect of the Collateral or any part thereof to be paid over to Secured Party pursuant to Section 2.3(c) and to give full discharge for the same, and to grant any consent in respect of the Collateral authorized by Section 2.3(b).

(b) Borrowers hereby ratify that said attorney shall lawfully do or cause to be done by virtue hereof, in each case pursuant to the powers granted hereunder. Borrowers hereby acknowledge and agree that Secured Party shall have no fiduciary duties to Borrowers and Borrowers hereby waive any claims or rights of a beneficiary of a fiduciary relationship hereunder.

**Section 2.6. Secured Party May Perform.** If Borrowers fail to perform any agreement contained herein after receipt of a written request to do so from Secured Party, Secured Party may itself perform, or cause performance of, such agreement, and the reasonable expenses of Secured Party, including the reasonable fees and expenses of its counsel, incurred in connection therewith shall be payable on a joint and several basis by Borrowers under Section 5.5; provided that if a bankruptcy, insolvency or similar event shall have occurred with respect to Borrowers, the notice described in this Section 2.6 shall not be required and shall be deemed to have been delivered upon the failure of Borrowers to perform such agreement.

**Section 2.7. Reasonable Care.** Secured Party shall exercise the same degree of care hereunder as it exercises in connection with similar transactions for its own account. Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equivalent to that which Secured Party accords its own property of the type of which the Collateral consists, it being understood that Secured Party shall have no responsibility for (a) matters relative to any Collateral, whether or not Secured Party has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral.



**Section 2.8. Security Interest Absolute.** All rights of Secured Party and security interests hereunder, and all obligations of Borrowers hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any of the Loan documents or any other agreement or instrument relating thereto (other than against Secured Party);

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the obligation under the Loan Agreement, or any other amendment or waiver of or any consent to any departure from the Loan documents or any other agreement or instrument relating thereto;

(c) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guaranty, for all or any of the obligations under the Loan Agreement; or

(d) any other circumstance which might otherwise constitute a defense available to, or a discharge of Borrowers.

### **ARTICLE III**

#### **REPRESENTATIONS AND WARRANTIES**

Borrowers represent and warrant, as of the date of this Agreement and the Closing Date, as follows, which representations and warranties shall survive the execution and delivery of this Agreement and the making and repayment of the obligations under the Loan Agreement:

**Section 3.1. Ownership of Collateral.** Borrowers are the sole legal and beneficial owner of the Collateral, free and clear of any lien or encumbrance other than the lien created pursuant to this Agreement.

**Section 3.2. Nature of Security Interest.** The pledge and grant of the Collateral pursuant to this Agreement creates a valid and perfected first priority security interest in the Collateral in favor of Secured Party securing the payment of all of the obligations under the Loan Agreement.

**Section 3.3. Consents, Etc.** No consent, authorization, approval, or other action by, and no notice to or filing with, any governmental authority is required either (i) for the pledge by Borrowers of the Collateral now owned or hereafter acquired by Borrowers, pursuant to this Agreement or for the due execution, delivery or performance of this Agreement by Borrowers, or (ii) for the exercise by Secured Party of the rights provided for in this Agreement or of the remedies in respect of the Collateral pursuant to this Agreement.

## ARTICLE IV

### COVENANTS

Borrowers hereby covenant and agree from and after the date of this Agreement until the termination of this Agreement in accordance with the provisions of Section 6.3:

**Section 4.1. Sale of Collateral.** Except as otherwise permitted by the Loan Agreement, Borrowers shall not sell or otherwise dispose of, or grant any option with respect to, any of the Collateral.

**Section 4.2. No Other Liens.** Borrowers shall not create, incur or permit to exist, shall defend the Collateral against and shall take such other action as is necessary to remove, any lien, encumbrance or claim on or to the Collateral, and shall defend the right, title and interest of Secured Party in and to any of the Collateral against the claims and demands of all Persons whomsoever.

**Section 4.3. Supplements; Further Assurances, Etc.** Borrowers shall at any time and from time to time, at the expense of Borrowers on a joint and several basis, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

**Section 4.4. Records; Statements and Schedules.** Borrowers shall keep and maintain, at their own cost and expense, records of the Collateral, including, but not limited to, records of all payments received with respect thereto, and Borrowers shall make the same available to Secured Party for inspection at Borrowers chief executive office, at Borrowers own cost and expense, on a joint and several basis, at any and all times upon reasonable prior notice and at reasonable times. Borrowers shall furnish to Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may reasonably request, all in reasonable detail.

## ARTICLE V

### EXERCISE OF REMEDIES UPON AN EVENT OF DEFAULT

**Section 5.1. Remedies Generally.** If an Event of Default shall have occurred and be continuing, Secured Party may exercise, in addition to all other rights and remedies granted in this Agreement and in any other instrument or agreement securing, evidencing or relating to the obligations under the Loan Agreement, all rights and remedies of a secured party under the Uniform Commercial Code in effect from time to time in any relevant jurisdiction and all other rights and remedies available at law or in equity.

**Section 5.2. Sale of Collateral.**

(a) Without limiting the generality of Section 5.1, Secured Party may in its sole discretion, without notice except as specified below, sell the Collateral or any part

thereof in one or more parcels at public or private sale or at any of Secured Party's Office or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as Secured Party may reasonably deem commercially reasonable, irrespective of the impact of any such sales on the market price of the Collateral at any such sale. Each purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of Borrowers, and Borrowers hereby waive (to the extent permitted by law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Secured Party agrees to provide at least ten (10) days' notice to Borrowers of the time and place of any public sale or the time after which any private sale is to be made and Borrowers agree that such ten (10) days' notice to Borrowers shall constitute reasonable notification. Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefore, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Assuming that such sales are made in compliance with federal and state securities Laws and the Uniform Commercial Code, Secured Party shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any public or private sale. Borrowers hereby waive any claims against Secured Party arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale, if commercially reasonable, was less than the price which might have been obtained at a public sale, even if Secured Party accepts the first offer received and does not offer such Collateral to more than one offeree.

(b) Borrowers recognize that Secured Party may elect in its sole discretion to sell all or any part of the Collateral to one or more purchasers in privately negotiated transactions in which the purchasers will be obligated to agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof.

**Section 5.3. Purchase of Collateral.** Any purchaser of all or any part of the Collateral shall, upon any such purchase, acquire good title to the Collateral so purchased, free of the security interests created by this Agreement.

**Section 5.4. Application of Proceeds.** Secured Party shall apply any proceeds from time to time held by it and the net proceeds of any collection, recovery, receipt, appropriation, realization or sale with respect to the Collateral in accordance with the relevant provisions of the Loan Agreement. For avoidance of doubt, it is understood that Borrowers shall remain liable to the extent of any deficiency between the amount of proceeds of the Collateral and the aggregated amount of the obligations under the Loan Agreement.

**Section 5.5. Expenses.** Borrowers, on a joint and several basis, shall upon demand pay to Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, and any transfer taxes, in each case payable upon sale of the Collateral, which Secured Party may incur in connection with (a) the custody or preservation of, or the sale of, collection from or other realization upon, any of the Collateral pursuant to the exercise or enforcement of any of the rights of Secured Party

hereunder or (b) the failure by Borrowers to perform or observe any of the provisions hereof, together with interest thereon from the date of demand at the rate per annum equal to the default rate of interest specified in the Loan Agreement. Any amount payable by Borrowers pursuant to this Section 5.5 shall be payable on demand and shall constitute obligations under the Loan Agreement secured hereby.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

**Section 6.1. Notices.** Except as otherwise expressly provided herein, all notices, requests and demands to or upon the respective parties hereto shall be deemed to have been duly given when delivered by hand, or five days after being deposited in the United States mail, postage prepaid, or, in the case of telex notice, when sent, answerback received, or, in the case of telecopy notice, when sent, or, in the case of a nationally recognized overnight courier service, one Business Day after delivery to such courier service, addressed, in the case of each party hereto, at its address specified below its signature hereto or to such other address as may be designated by any party in a written notice to the other parties hereto.

**Section 6.2. Continuing Security Interest.** This Agreement shall create a continuing security interest in the Collateral until the release thereof pursuant to Section 6.3.

**Section 6.3. Release.** Upon the indefeasible payment in full of the obligations under the Loan Agreement in cash or cash equivalents, Secured Party, upon the request, and at the expense of Borrowers, shall execute and deliver all such documentation necessary to release the security interest created pursuant to this Agreement.

**Section 6.4. Reinstatement.** This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by Secured Party hereunder or pursuant hereto is rescinded or must otherwise be restored or returned by the Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrowers or upon the appointment of any intervenor or conservator of, or trustee or similar official for Borrowers or any substantial part of Borrowers assets, or upon the entry of an order by any court avoiding the payment of such amount, or otherwise, all as though such payments had not been made.

**Section 6.5. Independent Security.** The security provided for in this Agreement shall be in addition to and shall be independent of every other security which Secured Party may at any time hold for any of the obligations hereby secured, whether or not under the Loan Agreement. The execution of any other security document shall not modify or supersede the security interest or any rights or obligations contained in this Agreement and shall not in any way affect, impair or invalidate the effectiveness and validity of this Agreement or any term or condition hereof. Borrowers hereby waive their respective right to plead or claim in any court that the execution of any other security document is a cause for extinguishing, invalidating, impairing or modifying the effectiveness and validity of this Agreement or any term or condition contained herein. Secured Party shall be at liberty to accept further security from Borrowers or from any third party and/or release such security without notifying Borrowers and without affecting in any way the obligations of Borrowers under the Loan Agreement or the other

security documents. Secured Party shall determine if any security conferred under the security documents shall be enforced by the Secured Party, as well as the sequence of securities to be so enforced.

**Section 6.6. Amendments.** No waiver, amendment, modification or termination of any provision of this Agreement, or consent to any departure by Borrowers therefrom, shall in any event be effective without the prior written consent of Secured Party and none of the Collateral shall be released without the written consent of Secured Party. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

**Section 6.7. Successors and Assigns.** This Agreement shall be binding upon Borrowers and their respective successors and assigns and shall inure to the benefit of Secured Party and its successors and assigns. Borrowers may not assign or otherwise transfer any of their respective rights or obligations under this Agreement without the written consent of Secured Party.

**Section 6.8. Survival.** All agreements, statements, representations and warranties made by Borrowers herein or in any certificate or other instrument delivered by Borrowers or on behalf of itself or another party under this Agreement shall be considered to have been relied upon by the Secured Party and shall survive the execution and delivery of this Agreement and the other Loan documents until termination thereof or the indefeasible payment in full in cash or cash equivalents of all of the obligations under the Loan Agreement regardless of any investigation made by the Secured Party.

**Section 6.9. No Waiver; Remedies Cumulative.** No failure or delay on the part of Secured Party in exercising any right, power or privilege hereunder and no course of dealing between Borrowers and the Secured Party shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Secured Party would otherwise have.

**Section 6.10. Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

**Section 6.11. Headings Descriptive.** The headings of the several Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

**Section 6.12. Severability.** In case any provision contained in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

**Section 6.13. Governing Law; Submission to Jurisdiction and Venue; Waiver of Jury Trial.** (a) THIS AGREEMENT IS A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEBRASKA OF THE UNITED STATES AND SHALL FOR ALL PURPOSES BE

GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF SUCH STATE WITHOUT REGARD TO THE CONFLICT OF LAW RULES THEREOF.

(b) Any legal action or proceeding against Borrowers with respect to this Agreement may be brought in the courts of the State of Nebraska or of the United States for the District of Nebraska and, by execution and delivery of this Agreement, Borrowers hereby irrevocably accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. Borrowers agree that a judgment, after exhaustion of all available appeals, in any such action or proceeding shall be conclusive and binding upon Borrowers and may be enforced in any other jurisdiction by a suit upon such judgment, a certified copy of which shall be conclusive evidence of the judgment. Borrowers further irrevocably consent to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to Borrowers at their respective address's referred to in Section 6.1, such service to become effective thirty (30) days after such mailing. Nothing herein shall affect the right of Secured Party to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against Borrowers in any other jurisdiction.

Borrowers hereby irrevocably waive any objection which they may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement, the Loan Agreement or any other Loan document brought in the courts referred to in clause (b) above and hereby further irrevocably waive and agree not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

WITH REGARD TO THIS AGREEMENT, BORROWERS AND SECURED PARTY HEREBY WAIVE THE RIGHT TO A TRIAL BY JURY.

**Section 6.14. Entire Agreement.** This Agreement, together with any other agreement executed in connection herewith, is intended by the parties as a final expression of their agreement as to the matters covered hereby and is intended as a complete and exclusive statement of the terms and conditions thereof.

*[Signature pages to follow]*

IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement to be duly executed and delivered by their officers thereunto duly authorized as of the date first above written.

M-TRON INDUSTRIES, INC.

By: [Signature]  
Name: David L. Rosen  
Title: Vice President

Address for Notices:  
\_ Lynch Corporation  
Suite 1250  
50 Kennedy Plaza  
Providence, RI 02903  
Attention: Chief Executive Officer  
Facsimile: (401) 543-2009

PIEZO TECHNOLOGY, INC.

By: [Signature]  
Name: David L. Rosen  
Title: Vice President

Address for Notices:  
Piezo Technology, Inc.  
\_ Lynch Corporation  
Suite 1250  
50 Kennedy Plaza  
Providence, RI 02903  
Attention: Chief Executive Officer  
Facsimile: (401) 543-2009

FIRST NATIONAL BANK OF OMAHA

By: [Signature]  
Name: MARK McMILLAN  
Title: Vice President

Address for Notices:

First National Bank of Omaha  
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