

Form PTO-1595 (Rev. 03-11)
OMB No. 0851-0027 (exp. 04/30/2015)

05/09/2012

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office



103644312

To the Director of the U.S. Patent and

Documents or the new address(es) below.

1. Name of conveying party(ies)

CIES Inc
International Avionics
Charles Beck

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

3. Nature of conveyance/Execution Date(s):

Execution Date(s) APRIL 4 2012

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

2. Name and address of receiving party(ies)

Name: CIES Inc

Internal Address: _____

Street Address: 221 SE Timber AveCity: RedmondState: OregonCountry: United StatesZip: 97758Additional 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)

8,453,741 Fuel Transmitter
8,808,119 Liquid Level Measurement Anisotropic Magneto
Resistive

Additional numbers attached? ☐ Yes ☒ No

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

Name: Scott Philiben

Internal Address: _____

Street Address: 221 SE Timber AveCity: RedmondState: OregonZip: 97758Phone Number: 541-408-1098

Docket Number: _____

Email Address: scott.philiben@ciescorp.com6. Total number of applications and patents involved: 27. Total fee (37 CFR 1.21(h) & 3.41) \$80

- ☐ Authorized to be charged to deposit account
☒ Enclosed
☐ None required (government interest not affecting title)

8. Payment Information

Deposit Account Number _____

Authorized User Name: SCOTT PHILIBEN
 ID: 51-000001

9. Signature:

Scott Thomas Philiben
 Signature

May 5th 2012

Date

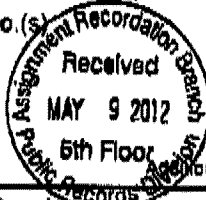
Scott Thomas Philiben

Name of Person Signing

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

21

Documents to be recorded (including cover sheet) should be faxed to (877) 273-0140, or mailed to:
 Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1480, Alexandria, VA, 22313-1480



5-9-12

PATENT PURCHASE AGREEMENT

This Patent Purchase Agreement ("Agreement") is among CIBS, Inc., an Oregon corporation ("Buyer"), International Avionics, Inc., a Texas corporation ("Seller"), and Charles Beck ("Selling Shareholder").

SECTION 1 DEFINITIONS

Unless defined elsewhere in this Agreement, capitalized terms used in this Agreement will have the meanings ascribed to them in the attached Appendix A.

SECTION 2 ASSETS AND LIABILITIES

- 2.1 **Assets.** At the Closing, Seller will sell to Buyer and Buyer will buy from Seller the following patents (the "Assets"):
- (a) U.S. Patent Number 6,453,741 Fuel Transmitter; and
 - (b) U.S. Patent Number 6,508,119 Liquid Level Measurement Anisotropic Magneto Resistive Device.
- 2.2 **Retained Liabilities.** Buyer will not assume any of Seller's liabilities and obligations of any kind to any person, whether known or unknown, including but not limited to:
- (a) Seller's liabilities and obligations arising out of or resulting from the ownership of the Assets before the Closing;
 - (b) Seller's liabilities and obligations for taxes;
 - (c) Seller's liabilities and obligations arising out of or resulting from any failure by Seller to comply with any applicable law, judgment, or order; and
 - (d) Seller's liabilities and obligations arising out of or resulting from any legal proceeding.

SECTION 3 PURCHASE PRICE

- 3.1 **Purchase Price.** The purchase price for the Assets is \$150,000.00.
- 3.2 **Payment.** Buyer will pay the purchase price for the Assets as follows:
- (a) at the Closing, Seller will credit \$32,000.00 (previously paid by Buyer to Seller as a patent licensing fee for the Assets) to the purchase price;
 - (b) at the Closing, Buyer will pay Seller an additional \$5,000.00 to the purchase price; and
 - (c) at the Closing, Buyer will deliver to Seller a nonnegotiable promissory note in the principal amount of \$113,000.00, in the form attached as Exhibit A.

SECTION 4 REPRESENTATIONS AND WARRANTIES OF SELLER AND SELLING SHAREHOLDER

Except for the express representations and warranties in this Agreement, Seller and Selling Shareholder expressly exclude all warranties with respect to the Transaction, express and implied, including but not limited to the warranty of merchantability, the warranty of fitness for a particular purpose, and any warranties that may have arisen from course of dealing or usage of trade.

Seller and Selling Shareholder jointly and severally represent and warrant to Buyer as follows:

- 4.1 **Organization.** Seller is a corporation duly organized and validly existing under the laws of the State of Texas.
- 4.2 **Authority.** Seller and Selling Shareholder have full power and authority to sign and deliver this Agreement and to perform all of their obligations under this Agreement. Seller has full corporate power and authority to conduct Seller's business as it is now being conducted, to own and use the Assets, and to perform all of Seller's obligations under all contracts included in the Assets.
- 4.3 **Binding Obligation.** This Agreement is the legal, valid, and binding obligation of Seller and Selling Shareholder, enforceable against Seller and Selling Shareholder in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.
- 4.4 **No Conflicts.** The signing and delivery of this Agreement by Seller and Selling Shareholder and the performance by Seller and Selling Shareholder of all of their obligations under this Agreement will not:
 - (a) conflict with Seller's or Selling Shareholder's articles of incorporation, bylaws, articles of organization, operating agreement, certificate of limited partnership, partnership agreement, trust agreement, or other similar organizational documents;
 - (b) breach any agreement to which Seller or Selling Shareholder is a party, or give any person the right to accelerate any obligation of Seller or Selling Shareholder;
 - (c) violate any law, judgment, or order to which Seller or Selling Shareholder is subject; or
 - (d) require the consent, authorization, or approval of any person, including but not limited to any governmental body.
- 4.5 **Intellectual Property.**
 - (a) As related to the Assets:
 - (1) Seller has not and is not alleged to have infringed the patent, trademark, copyright, or tradename rights of any person;

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- (2) Seller has not and is not alleged to have misappropriated, misused, or improperly disclosed the trade secrets or confidential or proprietary information of any person;
 - (3) to Seller's and Selling Shareholder's Knowledge, no patent, trademark, copyright, tradename, or Internet domain name that is owned or used by any person infringes the patent, trademark, copyright, or tradename rights of Seller;
 - (4) to Seller's and Selling Shareholder's Knowledge, no trade secret or confidential or proprietary information of Seller has been appropriated, used, or disclosed for the benefit of any other person or to the detriment of Seller;
 - (5) each patent, trademark, and copyright in which Seller has an ownership interest has been registered with the United States Patent and Trademark Office or the United States Copyright Office;
 - (6) no registration of any patent, trademark, copyright, tradename, or Internet domain name that Seller has registered has become invalid or unenforceable, or is subject to any fee, tax, or other charge that is due within 90 days after the Drop-Dead Date;
 - (7) no issued patent in which Seller has an ownership interest is or has been involved in any interference, reissue, reexamination, or opposition proceeding;
 - (8) no application for registration of a patent or a trademark that Seller has filed has been abandoned or is or has been involved in any interference, reissue, reexamination, invalidation, cancellation, or opposition proceeding; and
 - (9) all products, materials, and works of Seller have been marked with appropriate patent, trademark, and copyright notices.
- 4.6 **Title to Assets.** Seller has good title to the Assets, free from all liens, mortgages, pledges, security interests, and other encumbrances. Immediately before the Closing, Seller will have good title to the Assets, free from all liens, mortgages, pledges, security interests, and other encumbrances.
- 4.7 **No Undisclosed Liabilities.** As related to the Assets, Seller has no liabilities of any kind, whether fixed or contingent, disputed or undisputed, matured or unmatured, liquidated or unliquidated, or secured or unsecured.
- 4.8 **Legal Proceedings.** As related to the Assets, Seller has no action, arbitration, audit, hearing, investigation, litigation, suit, or other proceeding that is pending or, to Seller's and Selling Shareholder's Knowledge, threatened against Seller.
- 4.9 **Orders.** As related to the Assets, Seller has no judgment or order to which Seller is subject.
- 4.10 **No Brokers or Finders.** Neither Seller or Selling Shareholder has incurred any liability or obligation – whether contingent or otherwise – for a brokerage commission, a finder's fee, or any other similar payment in connection with the Transaction.

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- 4.11 **Nonforeign Person.** Seller is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code.
- 4.12 **Disclosure.** No representation or warranty made by Seller and Selling Shareholder in this Agreement includes any untrue statement or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

SECTION 5 REPRESENTATIONS AND WARRANTIES OF BUYER

Except for the express representations and warranties in this Agreement, Buyer expressly excludes all warranties with respect to the Transaction, express and implied. Buyer represents to Seller and Selling Shareholder as follows:

- 5.1 **Organization.** Buyer is a corporation duly organized and validly existing under the laws of the State of Oregon.
- 5.2 **Authority.** Buyer has full power and authority to sign and deliver this Agreement and to perform all of Buyer's obligations under this Agreement.
- 5.3 **Binding Obligation.** This Agreement is the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other similar laws of general application or by general principles of equity.
- 5.4 **No Conflicts.** The signing and delivery of this Agreement by Buyer and the performance by Buyer of all of Buyer's obligations under this Agreement will not:
- (a) conflict with Buyer's articles of incorporation or bylaws;
 - (b) breach any agreement to which Buyer is a party, or give any person the right to accelerate any obligation of Buyer;
 - (c) violate any law, judgment, or order to which Buyer is subject; or
 - (d) require the consent, authorization, or approval of any person, including but not limited to any governmental body.
- 5.5 **Legal Proceedings.** No action, arbitration, audit, hearing, investigation, litigation, suit, or other proceeding is pending or, to Buyer's knowledge, threatened against Buyer that:
- (a) involves any challenge to or seeks any damages or other relief in connection with the Transaction; or
 - (b) may have the effect of prohibiting, delaying, or imposing material limitations or conditions on the Closing.
- 5.6 **No Brokers or Finders.** Buyer has not incurred any liability or obligation – whether contingent or otherwise – for a brokerage commission, a finder's fee, or any other similar payment in connection with the Transaction.

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SECTION 6 COVENANTS OF SELLER AND SELLING SHAREHOLDER BEFORE CLOSING

Seller and Selling Shareholder jointly and severally covenant to Buyer as follows:

6.1 Seller's Business. Until the Closing:

- (a) Seller will conduct Seller's business only in the ordinary course of Seller's business;
- (b) Seller will preserve and protect the patents set forth in the Assets; and
- (c) Seller will comply with all applicable laws, judgments, and orders.

6.2 Notification. Until the Closing, Seller and Selling Shareholder will promptly notify Buyer if Seller and Selling Shareholder obtain Knowledge of:

- (a) any material change in the business of Seller;
- (b) any material adverse change in the financial condition of Seller;
- (c) any material loss or damage with respect to any Asset;
- (d) any patent challenge or contest or claim related to the any Asset;
- (e) any patent violation related to any Asset;
- (f) any breach by Seller and Selling Shareholder of any representation or warranty in Section 4;
- (g) the occurrence after the date of this Agreement of any fact or condition that would cause Seller and Selling Shareholder to breach any representation or warranty in Section 4 if the representation or warranty were made as of the date of the occurrence;
- (h) any breach by Seller and Selling Shareholder of any covenant in this Section 6; or
- (i) any event that makes the satisfaction of any condition in Section 8 impossible or unlikely.

6.3 Filings and Notices. Seller and Selling Shareholder will make all filings and give all notices that Seller and Selling Shareholder are required to make and give to close the Transaction. Seller and Selling Shareholder will cooperate with Buyer with respect to all filings and notices that Buyer is required to make and give to close the Transaction.

6.4 Conditions. Seller and Selling Shareholder will use their best efforts to cause the conditions in Section 8 to be satisfied.

SECTION 7 COVENANTS OF BUYER BEFORE CLOSING

Buyer covenants to Seller and Selling Shareholder as follows:

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- 7.1 **Filings and Notices.** Buyer will make all filings and give all notices that Buyer is required to make and give to close the Transaction. Buyer will cooperate with Seller and Selling Shareholder with respect to all filings and notices that Seller and Selling Shareholder are required to make and give to close the Transaction.
- 7.2 **Conditions.** Buyer will use Buyer's best efforts to cause the conditions in Section 9 to be satisfied.

SECTION 8 CONDITIONS TO BUYER'S CLOSING OBLIGATIONS

Buyer's obligation to close the Transaction is subject to the satisfaction of the following conditions:

- 8.1 **Accuracy of Representations and Warranties.** Each of Seller's and Selling Shareholder's representations and warranties in Section 4 must have been accurate in all material respects as of the date of this Agreement and must be accurate in all material respects as of the Closing Date.
- 8.2 **Performance of Covenants.** Seller and Selling Shareholder must have performed and complied with each of Seller's and Selling Shareholder's covenants in Section 5 in all material respects.
- 8.3 **Closing Documents.** Seller and Selling Shareholder must have caused the following items to be delivered to Buyer:
- (a) the items set forth in Section 10.2.
- 8.4 **No Legal Proceedings.** No action, arbitration, audit, hearing, investigation, litigation, suit, or other proceeding must be pending or have been threatened against Buyer that:
- (a) involves any challenge to or seeks any damages or other relief in connection with the Transaction; or
 - (b) may have the effect of prohibiting, delaying, or imposing material limitations or conditions on the Closing.
- 8.5 **No Conflict.** The Closing must not violate any law, judgment, or order to which Buyer or Seller is subject. No judgment or order of any governmental authority or arbitrator must be in effect as of the Closing Date that prohibits the Closing.

SECTION 9 CONDITIONS TO SELLER'S AND SELLING SHAREHOLDER'S CLOSING OBLIGATIONS

Seller's and Selling Shareholder's obligations to close the Transaction are subject to the satisfaction of the following conditions:

- 9.1 **Accuracy of Representations and Warranties.**
- (a) Each of Buyer's representations and warranties in Section 5 must have been accurate in all material respects as of the date of this Agreement and must be accurate in all material respects as of the Closing Date.

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- 9.2 **Performance of Covenants.** Buyer must have performed and complied with each of Buyer's covenants in Section 7 in all material respects.
- 9.3 **Closing Documents.** Buyer must have caused the following items to be delivered to Seller and Selling Shareholder:
- (a) the items set forth in Section 10.3.
- 9.4 **No Conflict.** No judgment or order of any governmental authority or arbitrator must be in effect as of the Closing Date that prohibits the Closing.

SECTION 10 CLOSING

- 10.1 **Closing.** The Closing will take place at the offices of Widmar Mensing Law Group, LLP (339 SW Century Drive, Suite 101, Bend, Oregon) at 10:00 a.m. on April 3, 2012, or at any other place or time that the parties may agree.
- 10.2 **Obligations of Seller and Selling Shareholder.** Seller and Selling Shareholder will deliver the following items to Buyer at the Closing:
- (a) The Assignment of Patents signed by Seller and Selling Shareholder;
- (b) such other bills of sale, certificates of title, assignments, and other documents that Buyer may reasonably request for the Transaction, in form and substance reasonably satisfactory to Buyer; and
- (c) possession of the Assets.
- 10.3 **Obligations of Buyer.** Buyer will deliver the following items to Seller and Selling Shareholder at the Closing:
- (a) a check signed by Buyer to Seller for \$5,000.00; and
- (b) the Promissory Note signed by Buyer.

SECTION 11 COVENANTS OF SELLER AND SELLING SHAREHOLDER AFTER CLOSING

Seller and Selling Shareholder jointly and severally covenant to Buyer as follows:

- 11.1 **Business Relations.** After the Closing, Seller and Selling Shareholder will cooperate with Buyer in Buyer's efforts to preserve Buyer's relations and goodwill with the customers, suppliers, creditors, employees, agents, and other business relations of Seller that existed before the Closing.
- 11.2 **Business Referrals.** After the Closing, Seller and Selling Shareholder will refer to Buyer all customer and supplier inquiries that Seller or Selling Shareholder receive in connection with the with the Assets — except as related to the patent use licensed to Seller as set forth in the License Agreement.

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- 11.3 **Transfer Restrictions.** Seller will not sell, assign, or otherwise negotiate the Promissory Note to any person, entity, or organization.

SECTION 12 SURVIVAL

All representations, warranties, covenants, and other obligations in this Agreement and all other agreements and documents relating to the Transaction will survive the Closing.

SECTION 13 EQUITABLE RELIEF

The parties acknowledge that the remedies available at law for any breach of this Agreement will, by their nature, be inadequate. Accordingly, each party may obtain injunctive relief or other equitable relief to restrain a breach or threatened breach of this Agreement or to specifically enforce this Agreement, without proving that any monetary damages have been sustained.

SECTION 14 EXPENSES

Except as otherwise provided in this Agreement, each party will bear the party's own fees, costs, and expenses incurred in connection with the Transaction, including but not limited to the preparation, negotiation, signing, and performance of this Agreement and the other agreements and documents relating to the Transaction.

SECTION 15 GENERAL

- 15.1 **Time of Essence.** Time is of the essence with respect to all dates and time periods in this Agreement.
- 15.2 **No Assignment.** No party may assign or delegate any of the party's rights or obligations under this Agreement to any person without the prior written consent of the other parties, which the other parties may not withhold unreasonably.
- 15.3 **Binding Effect.** This Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.
- 15.4 **Amendment.** This Agreement may be amended only by a written agreement signed by each party.
- 15.5 **Notices.** All notices or other communications required or permitted by this Agreement:
- (a) must be in writing;
 - (b) must be delivered to the parties at the addresses set forth below, or any other address that a party may designate by notice to the other parties; and
 - (c) are considered delivered:
 - (1) upon actual receipt if delivered personally, by fax, by email, or by a nationally recognized overnight delivery service; or
 - (2) at the end of the third business day after the date of deposit in the United States mail, postage pre-paid, certified, return receipt requested.

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To Buyer:

CUES, Inc.
791 NW Trenton Ave.
Bend, OR 97701
Attn: Scott Philiben
Fax: N/A
Email: scott.philiben@cuescorp.com

To Seller:

International Avionics, Inc.
3782 Arapahoe Rd.
Addison, TX 75001
Attn: Charles Beck
Fax: (972) 247-1376
Email: check.ia@sboglobal.net

To Selling Shareholder:

Charles Beck
3782 Arapahoe Rd.
Addison, TX 75001

Fax: (972) 247-1376
Email: check.ia@sboglobal.net

- 15.6 **Waiver.** No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.
- 15.7 **Severability.** If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.
- 15.8 **Further Assurances.** The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.
- 15.9 **No Third-Party Beneficiaries.** The parties do not intend to confer any right or remedy on any third party.
- 15.10 **Attachments.** Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement.
- 15.11 **Remedies.** Subject to the terms and conditions of this Agreement, the parties will have all remedies available to them at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.
- 15.12 **Governing Law.** This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.
- 15.13 **Venue.** Any action or proceeding arising out of this Agreement will be litigated in courts located in Deschutes County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon.

9 - PATENT PURCHASE AGREEMENT

- 15.14 Attorney's Fees.** If any arbitration or litigation is instituted to interpret, enforce, or rescind this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.
- 15.15 Entire Agreement.** This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement.
- 15.16 Signatures.** This Agreement may be signed in counterparts. A fax transmission of a signature page will be considered an original signature page. At the request of a party, each other party will confirm a fax-transmitted signature page by delivering an original signature page to the requesting party.

[signature page to follow]

Dated effective: April 4, 2012 ~~2011~~ *enforce*

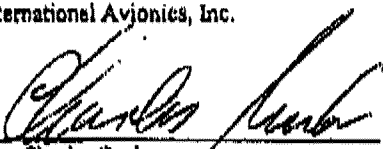
Buyer:

CIRS, Inc.


By: Scott Philiben
Its: president

Seller:

International Avionics, Inc.


By: Charles Beck
Its: president

Selling Shareholder:


Charles Beck

11 - PATENT PURCHASE AGREEMENT

APPENDIX A**Definitions**

"Assets" means the assets described in Section 2.1.

"Assignment of Patents" means the assignment attached as Exhibit B.

"Closing" means the closing of the Transaction.

"Closing Date" means the date on which the Closing takes place.

"Code" means the Internal Revenue Code of 1986.

"Promissory Note" means the promissory note described in Section 1.2(e) and attached as Exhibit A.

"Retained Liabilities" means the liabilities described in Section 2.2.

"Transaction" means the purchase and sale of the Assets provided for in this Agreement.

EXHIBIT A
page 1 of 2

NONNEGOTIABLE PROMISSORY NOTE

\$113,000.00

April 3, 2012

This Nonnegotiable Promissory Note ("Note") is made by CIES, Inc. ("Maker") in favor of International Avionics, Inc. ("Holder").

1. **Payment.** Maker promises to pay only to Holder the principal amount of \$113,000.00, together with interest on the unpaid principal amount from the date of this Note, payable in monthly payments of not less than \$1,500.00. The first payment is due on May 25, 2012 and subsequent payments are due on the same day of each following calendar month until April 25, 2015, at which time the unpaid principal amount, together with accrued interest, is due in its entirety. In addition to the above described monthly payments, Maker promises to pay a one-time payment of \$20,000.00 on or before August 25, 2012.
2. **Interest Rate.** Maker will pay interest on the unpaid principal amount at an annual rate of 5%. Interest will be computed on the basis of a 365-day year.
3. **Late Charge.** If Maker fails to make any payment required by this Note within 20 days after the payment is due, a late charge equal to 2% of the payment will be added to the unpaid principal amount and be immediately due.
4. **Place of Payments.** All payments under this Note will be made to Holder at 3782 Arapahoe Rd., Addison, TX 75001 or any other address that Holder may designate by notice to Maker.
5. **Application of Payments.** All payments under this Note will apply first to any costs and expenses due to Holder, then to accrued interest to date of payment, and then to the unpaid principal amount.
6. **Prepayments.** Maker may prepay a part or all of the unpaid principal amount at any time. Excess payments or prepayments will not be credited as future scheduled payments required by this Note.
7. **No Negotiation.** This Note is nonnegotiable and may not be sold, assigned, or otherwise negotiated to any person without the prior written consent of Maker, which Maker may withhold in Maker's sole discretion. Notwithstanding the foregoing, Holder may assign this Note to Charles Beck (or his estate) at any time after thirty (30) days advance written notice from Holder to Maker. No further assignment is allowed after an assignment from Holder to Charles Beck (or his estate) without the prior written consent of Maker, which Maker may withhold in Maker's sole discretion.
8. **Events of Default.** Each of the following is an event of default under this Note:
 - (a) Maker fails to make any payment required by this Note within 20 days after the payment is due;
 - (b) Maker fails to pay, becomes insolvent or unable to pay, or admits in writing an inability to pay Maker's debts as they become due, or makes a general assignment for the benefit of creditors; and
 - (c) a proceeding with respect to Maker is commenced under any applicable law for the benefit of creditors, including but not limited to any bankruptcy or insolvency law, or an order for the appointment of a receiver, liquidator, trustee, custodian, or other officer having similar powers over Maker is entered.

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1 - NONNEGOTIABLE PROMISSORY NOTE

EXHIBIT A
PAGE 2 of 2

9. **Remedies.** On and after an event of default under this Note, Holder may exercise the following remedies, which are cumulative and which may be exercised singularly or concurrently:
- (a) upon notice to Maker, the right to accelerate the due dates under this Note so that the unpaid principal amount, together with accrued interest, is immediately due in its entirety; and
 - (b) any other remedy available to Holder at law or in equity.
10. **Time of Essence.** Time is of the essence with respect to all dates and time periods in this Note.
11. **Amendment.** This Note may be amended only by a written document signed by the party against whom enforcement is sought.
12. **Waiver.**
- (a) Maker waives demand, presentment for payment, notice of dishonor or nonpayment, protest, notice of protest, and lack of diligence in collection, and agrees that Holder may extend or postpone the due date of any payment required by this Note without affecting Maker's liability.
 - (b) No waiver will be binding on Holder unless it is in writing and signed by Holder. Holder's waiver of a breach of a provision of this Note will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.
13. **Severability.** If a provision of this Note is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Note will not be impaired.
14. **Governing Law.** This Note is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Note.
15. **Venue.** Any action or proceeding arising out of this Note will be litigated in courts located in Deschutes County, Oregon. Maker consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon.
16. **Attorney's Fees.** If any arbitration or litigation is instituted to interpret, enforce, or rescind this Note, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 6B A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

Maker:

CIES, Inc.

By: Scott Philiben
Its: president

2 - NONNEGOTIABLE PROMISSORY NOTE

RECEIVED B
PAGE 1 OF 2**ASSIGNMENT OF PATENTS AGREEMENT**

This Assignment of Patents Agreement ("Agreement") is between International Avionics, Inc. and Charles Beck, together ("Seller") and CIES, Inc. ("Buyer")

SECTION 1 INTELLECTUAL PROPERTY RIGHTS**1.1 Definition. "Patents" mean the following patents:**

- (a) U.S. Patent Number 6,453,741 Fuel Transmitter; and
- (b) U.S. Patent Number 6,508,119 Liquid Level Measurement Anisotropic Magneto Resistive Device.

1.2 Assignment. Seller assigns to Buyer Seller's entire interest in:

- (a) the Patents, including but not limited to all copyrights, patent rights, trade secret rights, trademark rights, and other intellectual and proprietary rights in the Patents; and
- (b) any claims, actions, proceedings, damages, liabilities, and expenses of every kind that Seller may have against or be able to recover from any person, whether known or unknown, resulting from or arising out of the person's infringement of any copyright, patent, or trademark, misappropriation of any trade secret, or violation of any other intellectual or proprietary right of Seller with respect to the Patents.

1.3 Moral Rights. Seller assigns to Buyer any moral rights that Seller may have in the Patents, and waives any right to assert any moral rights in any portion of the Patents.**1.4 Perfection. At the request and expense of Buyer, Seller will sign such documents and take such actions that Buyer deems reasonably necessary to perfect, protect, and evidence Buyer's rights in the Patents.****1.5 Indemnification. Seller will defend and indemnify Buyer for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorney's fees, resulting from or arising out of any claim that the Patents infringes any copyright, patent, or trademark, constitutes a misappropriation of any trade secret, or violates any other intellectual or proprietary right of any person, but not to the extent that the claim results from or arises out of:**

- (a) Buyer's combination of the Patents with any service or product not provided by Seller, where the infringement, misappropriation, or violation would not have occurred but for the combination; or
- (b) Buyer's modification of the Patents, where the infringement, misappropriation, or violation would not have occurred but for the modification.

DEPT. OF COMMERCE
BUREAU OF PATENTS
2 OF 2

SECTION 2 GENERAL

- 2.1 **Binding Effect.** This Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.
- 2.2 **Further Assurances.** The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.
- 2.3 **Attachments.** Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement.
- 2.4 **Governing Law.** This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.
- 2.5 **Venue.** Any action or proceeding arising out of this Agreement will be litigated in courts located in Deschutes County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon.
- 2.6 **Attorney's Fees.** If any arbitration or litigation is instituted to interpret, enforce, or rescind this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

Dated effective: _____

Seller:

International Avionics, Inc.

By: Charles Beck
Its: president

Charles Beck

Buyer:

CIES, Inc.

By: Scott Philiben
Its: president

ASSIGNMENT OF PATENTS AGREEMENT

This Assignment of Patents Agreement ("Agreement") is between International Avionics, Inc. and Charles Beck, together ("Seller") and CIES, Inc. ("Buyer")

SECTION 1 INTELLECTUAL PROPERTY RIGHTS

1.1 **Definition.** "Patents" mean the following patents:

- (a) U.S. Patent Number 6,453,741 Fuel Transmitter; and
- (b) U.S. Patent Number 6,508,119 Liquid Level Measurement Anisotropic Magneto Resistive Device.

1.2 **Assignment.** Seller assigns to Buyer Seller's entire interest in:

- (a) the Patents, including but not limited to all copyrights, patent rights, trade secret rights, trademark rights, and other intellectual and proprietary rights in the Patents; and
- (b) any claims, actions, proceedings, damages, liabilities, and expenses of every kind that Seller may have against or be able to recover from any person, whether known or unknown, resulting from or arising out of the person's infringement of any copyright, patent, or trademark, misappropriation of any trade secret, or violation of any other intellectual or proprietary right of Seller with respect to the Patents.

1.3 **Moral Rights.** Seller assigns to Buyer any moral rights that Seller may have in the Patents, and waives any right to assert any moral rights in any portion of the Patents.

1.4 **Perfection.** At the request and expense of Buyer, Seller will sign such documents and take such actions that Buyer deems reasonably necessary to perfect, protect, and evidence Buyer's rights in the Patents.

1.5 **Indemnification.** Seller will defend and indemnify Buyer for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorney's fees, resulting from or arising out of any claim that the Patents infringe any copyright, patent, or trademark, constitutes a misappropriation of any trade secret, or violates any other intellectual or proprietary right of any person, but not to the extent that the claim results from or arises out of:

- (a) Buyer's combination of the Patents with any service or product not provided by Seller, where the infringement, misappropriation, or violation would not have occurred but for the combination; or
- (b) Buyer's modification of the Patents, where the infringement, misappropriation, or violation would not have occurred but for the modification.

SECTION 2 GENERAL

- 2.1 **Binding Effect.** This Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.
- 2.2 **Further Assurances.** The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.
- 2.3 **Attachments.** Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement.
- 2.4 **Governing Law.** This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.
- 2.5 **Venue.** Any action or proceeding arising out of this Agreement will be litigated in courts located in Deschutes County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon.
- 2.6 **Attorney's Fees.** If any arbitration or litigation is instituted to interpret, enforce, or rescind this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

Dated effective: April 4, 2012

Seller:

International Avionics, Inc.

By: Charles Beck
Its: president

Charles Beck

Buyer:

CIES, Inc.

By: Scott Philiben
Its: president

NONNEGOTIABLE PROMISSORY NOTE

\$113,000.00

April 3, 2012

This Nonnegotiable Promissory Note ("Note") is made by CIES, Inc. ("Maker") in favor of International Avionics, Inc. ("Holder").

1. **Payment.** Maker promises to pay only to Holder the principal amount of \$113,000.00, together with interest on the unpaid principal amount from the date of this Note, payable in monthly payments of not less than \$1,500.00. The first payment is due on May 25, 2012 and subsequent payments are due on the same day of each following calendar month until April 25, 2015, at which time the unpaid principal amount, together with accrued interest, is due in its entirety. In addition to the above described monthly payments, Maker promises to pay a one-time payment of \$20,000.00 on or before August 25, 2012.
2. **Interest Rate.** Maker will pay interest on the unpaid principal amount at an annual rate of 5%. Interest will be computed on the basis of a 365-day year.
3. **Late Charge.** If Maker fails to make any payment required by this Note within 20 days after the payment is due, a late charge equal to 2% of the payment will be added to the unpaid principal amount and be immediately due.
4. **Place of Payments.** All payments under this Note will be made to Holder at 3782 Arapahoe Rd., Addison, TX 75001 or any other address that Holder may designate by notice to Maker.
5. **Application of Payments.** All payments under this Note will apply first to any costs and expenses due to Holder, then to accrued interest to date of payment, and then to the unpaid principal amount.
6. **Prepayments.** Maker may prepay a part or all of the unpaid principal amount at any time. Excess payments or prepayments will not be credited as future scheduled payments required by this Note.
7. **No Negotiation.** This Note is nonnegotiable and may not be sold, assigned, or otherwise negotiated to any person without the prior written consent of Maker, which Maker may withhold in Maker's sole discretion. Notwithstanding the foregoing, Holder may assign this Note to Charles Beck (or his estate) at any time after thirty (30) days advance written notice from Holder to Maker. No further assignment is allowed after an assignment from Holder to Charles Beck (or his estate) without the prior written consent of Maker, which Maker may withhold in Maker's sole discretion.
8. **Events of Default.** Each of the following is an event of default under this Note:
 - (a) Maker fails to make any payment required by this Note within 20 days after the payment is due;
 - (b) Maker fails to pay, becomes insolvent or unable to pay, or admits in writing an inability to pay Maker's debts as they become due, or makes a general assignment for the benefit of creditors; and
 - (c) a proceeding with respect to Maker is commenced under any applicable law for the benefit of creditors, including but not limited to any bankruptcy or insolvency law, or an order for the appointment of a receiver, liquidator, trustee, custodian, or other officer having similar powers over Maker is entered.


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1 - NONNEGOTIABLE PROMISSORY NOTE

9. **Remedies.** On and after an event of default under this Note, Holder may exercise the following remedies, which are cumulative and which may be exercised singularly or concurrently:
- (a) upon notice to Maker, the right to accelerate the due dates under this Note so that the unpaid principal amount, together with accrued interest, is immediately due in its entirety; and
 - (b) any other remedy available to Holder at law or in equity.
10. **Time of Essence.** Time is of the essence with respect to all dates and time periods in this Note.
11. **Amendment.** This Note may be amended only by a written document signed by the party against whom enforcement is sought.
12. **Waiver.**
- (a) Maker waives demand, presentment for payment, notice of dishonor or nonpayment, protest, notice of protest, and lack of diligence in collection, and agrees that Holder may extend or postpone the due date of any payment required by this Note without affecting Maker's liability.
 - (b) No waiver will be binding on Holder unless it is in writing and signed by Holder. Holder's waiver of a breach of a provision of this Note will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.
13. **Severability.** If a provision of this Note is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Note will not be impaired.
14. **Governing Law.** This Note is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Note.
15. **Venue.** Any action or proceeding arising out of this Note will be litigated in courts located in Deschutes County, Oregon. Maker consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon.
16. **Attorney's Fees.** If any arbitration or litigation is instituted to interpret, enforce, or rescind this Note, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

Maker:

CIES, Inc.


By: Scott Philiben
Its: President

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