

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT2817575

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
MJD INNOVATIONS, LLC	03/26/2014
RECEIVING PARTY DATA	
Name:	OLD WEST FEDERAL CREDIT UNION
Street Address:	34020 SKY WAY DRIVE
City:	SCAPPOOSE
State/Country:	OREGON
Postal Code:	97056
PROPERTY NUMBERS Total: 6	
Property Type	Number
Application Number:	12082264
Application Number:	12587386
Patent Number:	6711766
Patent Number:	6789844
Patent Number:	7282462
Patent Number:	7354106
CORRESPONDENCE DATA	
Fax Number:	(503)224-0155
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	5032245858
Email:	patent@millernash.com
Correspondent Name:	ERICH W. MERRILL, JR.
Address Line 1:	111 SW FIFTH AVENUE
Address Line 2:	SUITE 3400
Address Line 4:	PORTLAND, OREGON 97204
ATTORNEY DOCKET NUMBER:	111240-0054
NAME OF SUBMITTER:	ERICH W. MERRILL, JR.
SIGNATURE:	/Erich W. Merrill, Jr./
DATE SIGNED:	04/16/2014
Total Attachments: 10	

PATENT

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COLLATERAL ASSIGNMENT OF PATENTS

This COLLATERAL ASSIGNMENT OF PATENTS (the "Assignment") is made this 26th day of March, 2014, by and between MJD INNOVATIONS, LLC, an Oregon limited liability company with offices at 34020 Sky Way Drive, Scappoose, Oregon 97056 ("MJD"), OREGON AERO, INC., an Oregon corporation with offices at 34020 Sky Way Drive, Scappoose, Oregon 97056 (the "Borrower"), and OLD WEST FEDERAL CREDIT UNION (the "Lender").

Background

The Borrower and the Lender have entered into a Commercial Security Agreement dated March 12, 2014 (as amended, amended and restated, modified or supplemented from time to time, the "Credit Agreement"), in connection with a loan by the Lender to the Borrower.

MJD and the Borrower are commonly owned. A condition of the loan is that MJD execute and deliver this Assignment and collaterally assign the I.P. Collateral (as defined below) to secure the Borrower's Indebtedness (as defined in the Credit Agreement), and to record the Assignment in the public record of the Patent and Trademark Office.

MJD is willing to execute and deliver this Assignment in light of the benefits to accrue to MJD from the loan to the Borrower and to induce the Lender to make the loan to the Borrower.

Terms

For good and valuable consideration, and to secure the payment of the Indebtedness, the parties agree as follows:

Section 1. Definitions. All capitalized terms used in this Assignment and not otherwise defined shall have the meanings given in the Credit Agreement. The following terms, as used in this Assignment, shall have the following respective meanings:

"Patent and Trademark Office" means the United States Patent and Trademark Office.

"Patent License" means all agreements, whether written or oral, providing for the grant by MJD or the Borrower of any right to manufacture, use, or sell any invention covered by a Patent.

"Patents" means the patents and patent applications described on attached Schedule I, including without limitation, the inventions and improvements described in the Patents, together with the reissues, divisions, continuations, renewals, extensions, continuations in part, and foreign counterparts of the Patents.

"Uniform Commercial Code" means the Uniform Commercial Code as in effect in the State of Oregon.

Section 2. Collateral Assignment. In order to secure the prompt and complete payment of the Indebtedness, together with any and all expenses that may be incurred by the Lender in

collecting any or all of such Indebtedness or enforcing any rights, obligations, or liabilities under this Assignment, and in furtherance and as confirmation of the security interests granted by the Borrower in connection with the Credit Agreement, MJD and the Borrower assign and hypothecate as collateral security to the Lender, all of MJD's and the Borrower's right, title, and interest in, to and under the following, whether presently existing or hereafter arising or acquired (collectively, the "I.P. Collateral"):

- (a) all Patents;
- (b) all Patent Licenses;
- (c) all proceeds and products of each Patent and Patent License, including without limitation, all income, royalties, damages, and payments now or hereafter due and/or payable with respect to any Patent or Patent License, including damages and payments for past or future infringements thereof, the right to sue for past, present, and future infringements, and all rights corresponding thereto throughout the world (the property and rights described in clauses (a) through (c) being collectively referred to in this Assignment as the "Patent Collateral");
- (d) inventions, processes, production methods, proprietary information, know-how, and trade secrets used or useful in the business of MJD or the Borrower in order to practice the inventions described in the Patents ("Trade Secrets");
- (e) to the extent assignable pursuant to its terms (with any required consent), licenses or user or other agreements granted to MJD or the Borrower with respect to any of the Patent Collateral and the Trade Secrets (collectively, the "Licensed Rights");
- (f) causes of action, claims, and warranties now or hereafter owned or acquired by MJD or the Borrower in respect of any of the items listed above; and
- (g) all proceeds of any of the items described in clauses (a) through (f).

Section 3. Representations and Warranties. As an inducement to the Lender to make a loan to the Borrower and enter into this Assignment, MJD and the Borrower make the following representations and warranties:

(a) All issued Patents are, to the best of MJD's and the Borrower's knowledge, valid, unexpired, and in full force and effect, have not been adjudged invalid or unenforceable, in whole or in part, and have not been abandoned and, to the best of MJD's and the Borrower's knowledge, no holding, decision, or judgment has been rendered by any governmental authority that would be reasonably likely to limit, cancel, or question the validity of any Patent. Except as noted on Schedule I, none of the pending patent applications included in the Patents has been abandoned and each patent application is being diligently prosecuted, and Borrower knows of no facts that would invalidate or make unenforceable any patent issued on any of the applications.

(b) MJD is the sole beneficial owner of the Patent Collateral. MJD and/or the Borrower are the sole beneficial owners of the other I.P. Collateral and are duly licensed

to use the Licensed Rights. Except for Permitted Encumbrances, no Encumbrance exists or will exist upon any I.P. Collateral at any time except for the collateral assignment thereof in favor of the Lender provided for in this Assignment, which collateral assignment and security interest constitutes a first priority perfected security interest in all of the I.P. Collateral.

(c) Except pursuant to Patent Licenses entered into by MJD in the ordinary course of business that are listed in Schedule I, MJD owns and possesses the exclusive right to use, and has done nothing to authorize or enable any other Person to use, the Patents listed on Schedule I.

(d) To the best knowledge of MJD and the Borrower, there is no infringement by others of any right of MJD with respect to any Patent; to the best knowledge of MJD and the Borrower, neither MJD nor the Borrower is infringing in any respect upon any patent of any other Person; and no proceedings have been instituted or are pending against MJD or the Borrower, or to MJD and the Borrower's knowledge, threatened, alleging any such violation or seeking to limit, cancel, or question the validity of any such Patent.

(e) All applications pertaining to the Patents have been duly and properly filed, and to the best knowledge of MJD and the Borrower, all registrations or letters pertaining to such Patents have been properly filed and issued.

Section 4. Defense of Collateral. Each of MJD and the Borrower will at their expense forever warrant and, at the Lender's request, defend the I.P. Collateral from any and all claims and demands of any other Person; provided, however, nothing in this Assignment shall prevent MJD in the exercise of its reasonable business judgment from determining that it is in the best interest of MJD to abandon any item of I.P. Collateral or to refrain from defending any item of I.P. Collateral against such claims or demands (the foregoing prerogative of MJD is sometimes referred to in this Assignment as the "Business Judgment Exception"). Each of MJD and the Borrower will pay, indemnify, and hold the Lender harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever with respect to the I.P. Collateral, including, without limitation, claims of patent infringement, provided that MJD and the Borrower shall have no obligation to indemnify the Lender to the extent the matter to be indemnified against was caused by the Lender's gross negligence or willful misconduct.

Section 5. Maintenance of Patents.

(a) Subject to the Business Judgment Exception, MJD will maintain the issued Patents in full force and effect by taking any action that it believes necessary, through attorneys of its choice, all at its expense. In the event that any Patent is infringed by a third Person so as to have a material adverse effect on MJD or the Borrower, or if such infringement gives rise to litigation or any proceeding in the Patent and Trademark Office, MJD shall promptly notify the Lender and shall take such actions as may be reasonably required to terminate such infringement or preserve the validity of its Patents.

Any damages recovered from the infringing party shall be deemed to be part of the I.P. Collateral.

(b) MJD shall promptly notify the Lender of the institution of, and any adverse determination in, any proceeding in the Patent and Trademark Office or any other foreign or domestic governmental agency, court or body, regarding MJD's claim of ownership in any of the Patents.

(c) MJD shall promptly notify the Lender if it knows, or has reason to know, that any application or registration relating to any Patent may become abandoned (including abandonment of any application under the Business Judgment Exception), or of any adverse determination or development, other than non-final determinations, regarding MJD's ownership of any Patent, or its right to register the same or to keep and maintain the same.

Section 6. No Assignments. MJD and the Borrower shall not, except as otherwise permitted by the Credit Agreement, grant, create, or permit to exist any Encumbrance upon the I.P. Collateral in favor of any other Person or assign this Assignment or any rights in the I.P. Collateral without, in either case, the prior written approval of the Lender. Any attempted Encumbrance or assignment without the Lender's approval shall be void ab initio.

Section 7. Continuing Liability. MJD and the Borrower each expressly agree that, anything in this Assignment to the contrary notwithstanding, it shall remain liable under each license, interest, and obligation collaterally assigned to the Lender to observe and perform all the conditions and obligations to be observed and performed by MJD or the Borrower thereunder, all in accordance with and pursuant to the terms and provisions thereof. The Lender shall not have any obligation or liability under any such license, interest, or obligation by reason of or arising out of this Assignment or the collateral assignment to the Lender or the receipt by the Lender of any payment relating to any such license, interest, or obligation, nor shall the Lender be required or obligated in any manner to perform or fulfill any of the obligations of MJD or the Borrower thereunder, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such license, interest, or obligation, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

Section 8. Retention of Rights. Unless and until an Event of Default shall have occurred and be continuing, but subject to the terms and conditions of this Assignment, MJD and the Borrower shall have the right to use the I.P. Collateral in the ordinary course of business.

Section 9. Remedies.

(a) If an Event of Default under the Credit Agreement has occurred and is continuing the Lender may exercise, in addition to all rights and remedies granted to it in this Assignment and the other Loan Documents, all rights and remedies of a secured party under the Uniform Commercial Code and other applicable law, provided that the Lender shall give MJD not less than ten days' prior written notice of the time and place

of any public sale or of the time after which any private sale or other intended disposition is to be made of any of the I.P. Collateral. MJD and the Borrower agree that such notice constitutes "reasonable notification" within the meaning of Section 9-504(3) of the Uniform Commercial Code.

(b) Without limiting the generality of the foregoing, if any Event of Default has occurred and is continuing,

(i) the Lender, acting in a commercially reasonable manner, may license, or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Patents included in the I.P. Collateral throughout the world, the proceeds of such license or sublicense to be applied to the payment of the Indebtedness;

(ii) the Lender may (without assuming any obligations or liability thereunder), at any time and from time to time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of MJD and the Borrower in, to, and under any Patent Licenses and take or refrain from taking any action under any thereof, and MJD and the Borrower each release the Lender from, and will hold the Lender free and harmless from and against, any claims arising out of any lawful action so taken or omitted to be taken with respect thereto other than any claims arising by reason of the Lender's own gross negligence or willful misconduct; and

(iii) upon request by the Lender, MJD and the Borrower will execute and deliver to the Lender a power of attorney, in addition to and supplemental to that set forth in Section 11, in form and substance reasonably satisfactory to the Lender, for the implementation of any lease, assignment, license, sublicense, a grant of option, sale, or other disposition of a Patent.

Section 10. Grant of License to Use Intangibles. For the purpose of enabling the Lender to exercise rights and remedies under Section 9 at such time as the Lender shall be lawfully entitled to exercise such rights and remedies and for no other purpose, MJD and the Borrower each grant to the Lender an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to MJD and the Borrower) to use, assign, license, or sublicense any of the I.P. Collateral, whether now owned or hereafter acquired by MJD or the Borrower and wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof. Except as otherwise provided in this Assignment, the Lender shall have no duty as to the collection or protection of any I.P. Collateral nor as to the preservation of any related rights, beyond the safe custody of any I.P. Collateral in its possession. The Lender may exercise its rights with respect to any portion of the I.P. Collateral without resorting or regard to other I.P. Collateral or sources of reimbursement for liability.

Section 11. Power of Attorney. MJD and the Borrower each irrevocably appoint the Lender its true and lawful attorney (such appointment coupled with an interest), with full power of substitution, in the name of MJD, the Borrower, the Lender, or otherwise, for the sole use and

benefit of the Lender, but at MJD and the Borrower's expense, to exercise (to the extent permitted by law), at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the I.P. Collateral:

- (a) to demand, sue for, collect, receive, and give acquittance for any and all monies due or to become due thereon or by virtue thereof;
- (b) to settle, compromise, compound, prosecute, or defend any action or proceeding with respect thereto;
- (c) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if the Lender were the absolute owner thereof; and
- (d) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto;

provided, however, that except as otherwise provided in this Assignment, the Lender shall have no duty as to the collection or protection of any I.P. Collateral, nor as to the preservation of any rights pertaining thereto, beyond the safe custody of any I.P. Collateral in its possession.

Section 12. Further Assurances. Each of MJD and the Borrower will, from time to time, at its expense, execute, deliver, file, and record any statement, assignment, instrument, document, agreement, notice, or other paper and take any other action that the Lender may from time to time reasonably determine to be necessary or desirable in order to create, preserve, upgrade in rank (to the extent required hereby), perfect, confirm, or validate the I.P. Collateral or to enable the Lender to obtain the full benefits of this Assignment, or to enable the Lender to exercise and enforce any of its rights, powers, and remedies with respect to any of the I.P. Collateral. At the request of the Lender, MJD and the Borrower will each use reasonable efforts to obtain the consent of any Person that is necessary or desirable to effect the pledge hereunder of any right, title, claims, and benefits now owned or hereafter acquired by any Borrower in and to any I.P. Collateral. To the extent permitted by law, MJD and the Borrower each authorizes the Lender to execute, file and record notices, financing statements or continuation statements without MJD's or the Borrower's signature appearing thereon. MJD and the Borrower each agrees that a photographic, electronic, or other reproduction of this Assignment, or of a financing statement, is sufficient as a notice or financing statement. MJD and the Borrower shall each pay the costs of, or incidental to, any recording or filing of any notice or financing or continuation statements concerning the I.P. Collateral.

Section 13. Notices. All notices under this Assignment shall be in writing, and shall be given and shall be effective in accordance with the Credit Agreement.

Section 14. Severability. Any provision of this Assignment that is prohibited or unenforceable in any jurisdiction shall not invalidate its remaining provisions, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 15. No Waiver; Cumulative Remedies. The Lender shall not, by any act, delay, omission, or otherwise be deemed to have waived any of its rights or remedies, and no waiver shall be valid unless in writing and signed by the Lender, and then only to the extent expressly stated. A waiver by the Lender of any right or remedy on any one occasion shall not be construed as a bar to any right or remedy that the Lender would otherwise have had on any other occasion. No failure to exercise nor any delay in exercising on the part of the Lender any right, power, or privilege shall operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise, or the exercise of any other right, power, or privilege. The rights and remedies provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

Section 16. Waivers; Amendments. None of the terms and provisions of this Assignment may be waived, altered, modified, or amended except in accordance with the Credit Agreement by an instrument in writing executed by the parties.

Section 17. Limitation by Law. All rights, remedies, and powers provided in this Assignment may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Assignment are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Assignment invalid, unenforceable in whole or in part, or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

Section 18. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of MJD and the Borrower, and their respective successors and assigns, and shall be binding upon and inure to the benefit of and be enforceable by the Lender and its successors and assigns; provided that neither MJD nor the Borrower may assign or transfer its rights or obligations hereunder.

Section 19. Termination. Upon the payment in full of all Indebtedness, the collateral assignment made shall terminate and all rights to the I.P. Collateral shall revert to MJD and the Borrower and the Lender will execute all such documents as may be reasonably requested by MJD and the Borrower to release such security interests and to terminate such collateral assignment and to reassign the Patents to MJD (without representation or warranty). If, after the collateral assignment is terminated, payment, or any part thereof, of any of the Indebtedness is rescinded or must otherwise be restored or returned by the Lender upon the insolvency, bankruptcy, dissolution, liquidation, or reorganization of MJD or the Borrower or upon or as a result of the appointment of a receiver, intervenor, or conservator of, or trustee or similar officer for, MJD or the Borrower or any substantial part of the property of either, or otherwise, the collateral assignment made and all rights of the Lender to the I.P. Collateral shall be reinstated, all as though such payments had not been made.

Section 20. Governing Law. THIS ASSIGNMENT IS A CONTRACT UNDER THE LAWS OF THE STATE OF OREGON AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID STATE (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW) AND THE UNITED STATES OF AMERICA. MJD AND THE BORROWER CONSENT TO THE JURISDICTION OF ANY OF THE FEDERAL OR STATE COURTS LOCATED IN THE

STATE OF OREGON IN CONNECTION WITH ANY ACTION TO ENFORCE THE RIGHTS OF THE LENDER UNDER THIS ASSIGNMENT. MJD AND THE BORROWER IRREVOCABLY WAIVE ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH ACTION BROUGHT IN THE COURTS REFERRED TO IN THE PRECEDING SENTENCE AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH ACTION THAT SUCH ACTION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 21. Waiver of Jury Trial. MJD, THE BORROWER, AND THE LENDER WAIVE THEIR RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS ASSIGNMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW, MJD, THE BORROWER, AND THE LENDER WAIVE ANY RIGHT THEY MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. MJD AND THE BORROWER EACH (a) CERTIFIES THAT NO REPRESENTATIVE, LENDER, OR ATTORNEY OF THE LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (b) ACKNOWLEDGES THAT THE LENDER HAS BEEN INDUCED TO ENTER INTO THIS ASSIGNMENT BECAUSE OF, AMONG OTHER THINGS, MJD'S AND THE BORROWER'S WAIVERS AND CERTIFICATIONS CONTAINED IN THIS ASSIGNMENT.

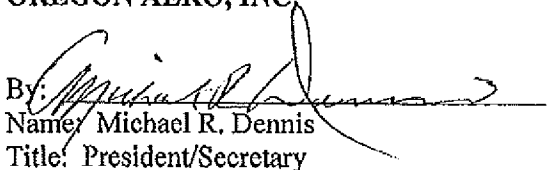
Section 22. Counterparts. This Assignment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties may execute this Assignment by signing any such counterpart.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Assignment to be duly executed as of the date first written above.

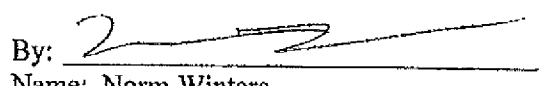
BORROWER:

OREGON AERO, INC

By: 
Name: Michael R. Dennis
Title: President/Secretary

LENDER:

OLD WEST FEDERAL CREDIT UNION

By: 
Name: Norm Winters
Title: Senior Vice President

MJD:

MJD INNOVATIONS, LLC

By: 
Name:
Title:

SCHEDULE I
Schedule of Patents

Application Number	Filing Date	Country	Patent Number	Issue Date	Title	Inventor(s)
8226408	4/8/2008	U.S.	2008026466 1	10/30/2008	Dual-character shock isolation structure and methodology	Michael R. Dennis Casey A. Dennis
58738609	10/5/2009	U.S.	2010008342 3	04/08/2010	Helmet liner with improved, seam-position-enhanced, rear-sector load management	Anthony P. Erickson Michael R. Dennis
16037102	5/31/2002	U.S.	6711766	3/30/2004	MULTI-PURPOSE, ARTICULATED, SEGMENTED FIELD PANEL KIT AND FABRICATION PROCESS	Russell A. Monk Michael R. Dennis
42610303	4/29/2003	U.S.	6789844	9/14/2004	SEAT STRUCTURE WITH ANTI-SPRING SPANNER ELEMENT	Michael R. Dennis
10368805	4/12/2005	U.S.	7282462	10/16/2007	BODY ARMOR STRAND STRUCTURE, METHOD AND PERFORMANCE	Thomas S. Ohnstad Michael R. Dennis
89848604	7/22/2004	U.S.	7354106	4/8/2008	IMPACT-INJURY-MINIMIZING SEAT STRUCTURE AND METHODOLOGY	Michael R. Dennis

Patent Licenses
[List, or state "none"]