

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT3190391

SUBMISSION TYPE:	CORRECTIVE ASSIGNMENT
NATURE OF CONVEYANCE:	Corrective Assignment to correct the SCHEDULE "A" OF SECURITY AGREEMENT TO REMOVE THE 6TH PATENT #5644189 previously recorded on Reel 034593 Frame 0338. Assignor(s) hereby confirms the SECURITY AGREEMENT.
RESUBMIT DOCUMENT ID:	503123966
SEQUENCE:	6

CONVEYING PARTY DATA

Name	Execution Date
AVIATION DEVICES AND ELECTRONIC COMPONENTS, L.L.C.	12/22/2014

RECEIVING PARTY DATA

Name:	SOUTHWEST BANK
Street Address:	4100 INTERNATIONAL PLAZA
Internal Address:	STE 900
City:	FORT WORTH
State/Country:	TEXAS
Postal Code:	76109

PROPERTY NUMBERS Total: 1

Property Type	Number
Patent Number:	6695320

CORRESPONDENCE DATA

Fax Number: (817)298-5773

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 8172985625

Email: linda.wise@southwestbank.com

Correspondent Name: LINDA WISE

Address Line 1: 4100 INTERNATIONAL PLAZA

Address Line 2: 900

Address Line 4: FORT WORTH, TEXAS 76109

NAME OF SUBMITTER:	LINDA WISE
SIGNATURE:	/linda wise/
DATE SIGNED:	01/21/2015
	This document serves as an Oath/Declaration (37 CFR 1.63).

Total Attachments: 13

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PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT3163871

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
SEQUENCE:	1
CONVEYING PARTY DATA	
Name	Execution Date
AVIATION DEVICES AND ELECTRONIC COMPONENTS, L.L.C.	12/22/2014
RECEIVING PARTY DATA	
Name:	SOUTHWEST BANK
Street Address:	4100 INTERNATIONAL PLAZA
Internal Address:	900
City:	FORT WORTH
State/Country:	TEXAS
Postal Code:	76109-4839
PROPERTY NUMBERS Total: 6	
Property Type	Number
Patent Number:	6695320
Patent Number:	7229516
Patent Number:	6530577
Patent Number:	8863625
Patent Number:	8691033
Patent Number:	5644189
CORRESPONDENCE DATA	
Fax Number:	(817)298-5773
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	8172985625
Email:	linda.wise@southwestbank.com
Correspondent Name:	LINDA WISE
Address Line 1:	4100 INTERNATIONAL PLAZA
Address Line 2:	900
Address Line 4:	FORT WORTH, TEXAS 76109-4839
NAME OF SUBMITTER:	LINDA WISE
SIGNATURE:	/linda wise/
DATE SIGNED:	12/29/2014

Updated

Loan No. 110285

SOUTHWEST BANK

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement") is made as of December 22, 2014, by AVIATION DEVICES AND ELECTRONIC COMPONENTS, L.L.C., a Texas limited liability company ("Borrower"), in favor of SOUTHWEST BANK ("Bank"). Borrower hereby agrees with Bank as follows:

1. Definitions. As used in this Agreement, the following terms have the meanings indicated below:

"Code" means the Uniform Commercial Code as in effect in the State of Texas on the date of this Agreement or as it may hereafter be amended from time to time.

"Collateral" means all of the personal property set forth below:

(a) All equipment of whatsoever kind and character now or hereafter possessed, held, acquired or owned by Borrower wherever located, together with all replacements, accessories, additions, substitutions and accessions to all of the foregoing, all records relating in any way to the foregoing (including, without limitation, any computer software, whether on tape, disk, card, strip, cartridge or any other form).

(b) All present and hereafter acquired inventory held, possessed, or owned, in whole or in part, by Borrower, wherever located, all records relating in any way to the foregoing (including, without limitation, any computer software, whether on tape, disk, card, strip, cartridge or any other form).

(c) All present and future accounts and general intangibles, including payment intangibles, now or hereafter owned, held, or acquired by Borrower, together with any and all books of account, customer lists and other records relating in any way to the foregoing (including, without limitation, computer software, whether on tape, disk, card, strip, cartridge or any other form), and in any case where an account arises from the sale of goods, the interest of Borrower in such goods.

(d) All patents and patent applications, and the inventions and improvements described and claimed therein, including, without limitation, those patents and patent applications listed on Schedule "A", attached hereto and made a part hereof, and (i) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (ii) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, and (iii) the right to sue for past, present and future infringements thereof (all of the foregoing patents and applications, together with the items described in the foregoing clauses (i-iii), being sometimes hereinafter individually and/or alone, but not limited to, those listed on Schedule "A" collectively referred to as the "Patents"); and

(e) All license agreements with any other party in connection with any Patents or such other party's patents or patent applications, whether Borrower is a licensor or licensee under any such license agreement, including, but not limited to, the license agreements listed on Schedule "A", and the right upon the occurrence and during the continuance of an Event of Default to use the foregoing in connection with the enforcement of the rights of Bank under this Agreement (all of the foregoing being hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this paragraph,

the Licenses shall not include any license agreement which by its terms prohibits (which prohibition is enforceable under applicable law) the grant of the security interest contemplated by this Agreement for so long as such prohibition continues; it being understood that upon request of Bank, Borrower will in good faith use reasonable efforts to obtain a consent for the creation of a security interest in favor of Bank in Borrower's rights under such license agreement.

The term Collateral, as used herein, shall also include all Supporting Obligations, Products, and Proceeds of all of the foregoing (including without limitation, insurance payable by reason of loss or damage to the foregoing property) and any property, securities, guaranties or monies of Borrower which may at any time come into the possession of Bank (as hereinafter defined).

"Indebtedness" has the meaning assigned to such term in the Loan Agreement.

"Loan Agreement" means the Loan Agreement of even date herewith, between Bank and Borrower, as such may be amended, renewed, extended, restated and replaced from time to time.

"Loan Documents" has the meaning assigned to such term in the Loan Agreement.

"Obligated Party" means any party other than Borrower who secures, guarantees and/or is otherwise obligated to pay all or any portion of the Indebtedness.

All words and phrases used herein which are expressly defined in Section 1.201 or Chapter 9 of the Code shall have the meaning provided for therein. Other words and phrases defined elsewhere in the Code shall have the meaning specified therein except to the extent such meaning is inconsistent with a definition in Section 1.201 or Chapter 9 of the Code.

2. **Security Interest.** As security for the Indebtedness, Borrower, for value received, hereby grants to Bank a continuing security interest in the Collateral.

3. **Representations and Warranties.** Borrower hereby represents, warrants and agrees as follows:

(a) **Due Authorization.** The execution, delivery and performance of this Agreement and all of the other Loan Documents by Borrower have been duly authorized by all necessary entity action of Borrower, to the extent Borrower is an entity. Borrower's exact legal name is as set forth in the first paragraph of this Agreement.

(b) **Enforceability.** This Agreement and the other Loan Documents constitute legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency or similar laws of general application relating to the enforcement of creditors' rights and except to the extent specific remedies may generally be limited by equitable principles.

(c) **Ownership and Liens.** Borrower has good and marketable title to the Collateral free and clear of all liens, security interests, encumbrances or adverse claims, except for the security interest created by this Agreement and except as may have been previously disclosed in writing to Bank. No dispute, right of setoff, counterclaim or defense exists with respect to all or any part of the Collateral. Borrower has not executed any other security agreement currently affecting the Collateral and no effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office except as may have been executed or filed in favor of Bank (or assigned to Bank), or except as may have been previously disclosed to Bank.

(d) **No Conflicts or Consents.** Neither the ownership, the intended use of the Collateral by Borrower, the grant of the security interest by Borrower to Bank herein nor the exercise by Bank of its rights or remedies hereunder, will (i) conflict with any provision of (A) any domestic law, statute,

rule or regulation, (B) the articles or certificate of incorporation, charter, bylaws or partnership agreement, as the case may be, of Borrower, or (C) any agreement, judgment, license, order or permit applicable to or binding upon Borrower, or (ii) result in or require the creation of any lien, charge or encumbrance upon any assets or properties of Borrower or of any person except as may be expressly contemplated in the Loan Documents. Except as expressly contemplated in the Loan Documents, no consent, approval, authorization or order of, and no notice to or filing with, any court, governmental authority or third party is required in connection with the grant by Borrower of the security interest herein or the exercise by Bank of its rights and remedies hereunder.

(e) Security Interest. Borrower has and will have at all times full right, power and authority to grant a security interest in the Collateral to Bank in the manner provided herein, free and clear of any lien, security interest or other charge or encumbrance, except as otherwise provided in this Agreement. This Agreement creates a legal, valid and binding security interest in favor of Bank in the Collateral securing the Indebtedness.

(f) Location. Borrower's residence or chief executive office, as the case may be, and the office where the records concerning the Collateral are kept is located at its address set forth on the signature page hereof. Except as specified elsewhere herein, all Collateral shall be kept at such address and such other addresses, if any, as may be listed in Schedule "A" attached hereto and made a part hereof and at such other locations as Borrower may so advise Bank. The identification of Collateral location(s) is not intended to restrict the breadth of Bank's security interest in the Collateral.

(g) Inventory. The security interest in the inventory shall continue through all stages of manufacture and shall, without further action, attach to the accounts or other proceeds resulting from the sale or other disposition thereof and to all such inventory as may be returned to Borrower by its account debtors.

(h) Accounts. Each account represents the valid and legally binding indebtedness of a bona fide account debtor arising from the sale or lease by Borrower of goods or the rendition by Borrower of services and is not subject to contra accounts, setoffs, defenses or counterclaims by or available to account debtor obligated on the accounts except as disclosed by Borrower to Bank from time to time in writing. The amount shown as to each account on Borrower's books is the true and undisputed amount owing and unpaid thereon, subject only to discounts, allowances, rebates, credits and adjustments to which the account debtor has a right and which have been disclosed to Bank in writing.

(i) Patents. The Patents and Licences listed on Schedule "A" attached hereto and made a part hereof include all of the Patents, patent applications now owned by Borrower, and all License agreements in force as of the date hereof with any other party in connection with any Patents or such other parties' patents or patent applications whether Borrower is a licensor or licensee under any such license agreement. If, prior to the termination of this Agreement, Borrower shall (i) obtain the rights to any new patentable inventions or license agreements or any Patents or patent applications in connection therewith or (ii) become entitled to the benefit of any Patent, patent application or any reissue, division, continuation, renewal, extension or continuation in part related to any Patent or any improvement on any Patent, the provisions of Section 2 of this Agreement shall automatically apply thereto whereby Borrower shall be deemed to give to Bank a security interest thereto, and Borrower shall give to Bank prompt written notice of the matters specified in clauses (i) and (ii) of this paragraph. Borrower hereby authorizes Bank to modify this Agreement by (a) amending Schedule "A", as the case may be, to include any future Patents, patent applications and license agreements in connection with patents and patent applications that are Patents or Licenses under this Agreement and (b) filing such amended financing statements as Bank may deem appropriate, pertaining to such future Patents, patent applications and license agreements. Notwithstanding the foregoing, Borrower agrees that Bank's security interest shall extend to all of the Collateral listed in this Agreement and as described in this paragraph regardless of whether Bank actually amends Schedule "A".

4. Affirmative Covenants. Borrower will comply with the covenants contained in this Section 4 at all times during the period of time this Agreement is effective unless Bank shall otherwise consent in writing.

(a) Ownership and Liens. Borrower will maintain good title to all Collateral free and clear of all liens, security interests, encumbrances or adverse claims, except for the security interest created by this Agreement and the security interests and other encumbrances expressly permitted by the other Loan Documents or by Bank in a separate document. Borrower will not permit any dispute, right of setoff, counterclaim or defense to exist with respect to all or any part of the Collateral. Borrower will cause any financing statement or other security instrument with respect to the Collateral to be terminated, except as may exist or as may have been filed in favor of Bank or except as expressly permitted by Bank. Borrower will defend at its expense Bank's right, title and security interest in and to the Collateral against the claims of any third party.

(b) Further Assurances. Borrower will from time to time at its expense promptly execute and deliver all further instruments and documents and take all further action necessary or appropriate or that Bank may request in order (i) to perfect and protect the security interest created or purported to be created hereby and the first priority of such security interest, including, but not limited to, obtaining control with respect to Collateral consisting of deposit accounts, (ii) to enable Bank to exercise and enforce its rights and remedies hereunder in respect of the Collateral, and (iii) to otherwise effect the purposes of this Agreement, including without limitation: (A) preparing and filing such financing or continuation statements, or amendments thereto; and (B) furnishing to Bank from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral, all in reasonable detail satisfactory to Bank. Borrower authorizes Bank to prepare and file a financing statement describing the Collateral as the Collateral exists on the effective date of this Agreement and, also, as the description and type of the Collateral may change in the future.

(c) Inspection of Collateral. Borrower will keep adequate records concerning the Collateral and will permit Bank and all representatives and agents appointed by Bank to inspect any of the Collateral and the books and records of or relating to the Collateral at any time during normal business hours, to make and take away photocopies, photographs and printouts thereof and to write down and record any such information.

(d) Payment of Taxes. Borrower (i) will timely pay all property and other taxes, assessments and governmental charges or levies imposed upon the Collateral or any part thereof, (ii) will timely pay all lawful claims which, if unpaid, might become a lien or charge upon the Collateral or any part thereof, and (iii) will maintain appropriate accruals and reserves for all such liabilities in a timely fashion in accordance with generally accepted accounting principles. Borrower may, however, delay paying or discharging any such taxes, assessments, charges, claims or liabilities so long as the validity thereof is contested in good faith by proper proceedings and provided Borrower has set aside on Borrower's books adequate reserves therefor; provided, however, Borrower understands and agrees that in the event of any such delay in payment or discharge and upon Bank's written request, Borrower will establish with Bank an escrow acceptable to Bank adequate to cover the payment of such taxes, assessments and governmental charges with interest, costs and penalties and a reasonable additional sum to cover possible costs, interest and penalties (which escrow shall be returned to Borrower upon payment of such taxes, assessments, governmental charges, interests, costs and penalties or disbursed in accordance with the resolution of the contest to the claimant) or furnish Bank with an indemnity bond secured by a deposit in cash or other security acceptable to Bank. Notwithstanding any other provision contained in this Subsection, Bank may at its discretion exercise its rights under Subsection 6(c) at any time to pay such taxes, assessments, governmental charges, interest, costs and penalties.

(e) Condition of Goods. Borrower will maintain, preserve, protect and keep all Collateral which constitutes goods in good condition, repair and working order and will cause such Collateral to be used and operated in good and workmanlike manner, in accordance with applicable laws and in a manner which will not make void or cancelable any insurance with respect to such Collateral.

Borrower will promptly make or cause to be made all repairs, replacements and other improvements to or in connection with the Collateral which Bank may request from time to time. Borrower has the risk of loss concerning the Collateral.

(f) Insurance. Borrower will, at its own expense, maintain insurance with respect to all Collateral which constitutes goods in such amounts, against such risks, in such form and with such insurers, as is required in the Loan Documents. If requested by Bank, each policy for property damage insurance shall provide for all losses to be paid directly to Bank. If requested by Bank, each policy of insurance maintained by Borrower shall (i) name Borrower and Bank as insured parties thereunder (without any representation or warranty by or obligation upon Bank) as their interests may appear, (ii) contain the agreement by the insurer that any loss thereunder shall be payable to Bank notwithstanding any action, inaction or breach of representation or warranty by Borrower, (iii) provide that there shall be no recourse against Bank for payment of premiums or other amounts with respect thereto, and (iv) provide that at least fifteen (15) days prior written notice of cancellation or of lapse shall be given to Bank by the insurer. Borrower will, if requested by Bank, deliver to Bank original or duplicate policies of such insurance and, as often as Bank may reasonably request, a report of a reputable insurance broker with respect to such insurance. Borrower will also, at the request of Bank, duly execute and deliver instruments of assignment of such insurance policies and cause the respective insurers to acknowledge notice of such assignment. All insurance payments in respect of loss of or damage to any Collateral shall be paid to Bank and applied as Bank in its sole discretion deems appropriate.

(g) Accounts and General Intangibles. Borrower will, except as otherwise provided in Subsection 6(c), collect, at Borrower's own expense, all amounts due or to become due under each of the accounts and general intangibles. In connection with such collections, Borrower may and, at Bank's direction, will take such action not otherwise forbidden by Section 5 as Borrower or Bank may deem necessary or advisable to enforce collection or performance of each of the accounts and general intangibles. Borrower will also duly perform and cause to be performed all of its obligations with respect to the goods or services, the sale or lease or rendition of which gave rise or will give rise to each account and all of its obligations to be performed under or with respect to the general intangibles.

5. Negative Covenants. Borrower will comply with the covenants contained in this Section 5 at all times during the period of time this Agreement is effective, unless Bank shall otherwise consent in writing.

(a) Transfer or Encumbrance. Borrower will not (i) sell, assign (by operation of law or otherwise), transfer, exchange, lease or otherwise dispose of any of the Collateral, (ii) grant a lien or security interest in or file or record (or authorize any filing or recording) any financing statement or other security instrument with respect to the Collateral to any party other than Bank, or (iii) deliver actual or constructive possession of any of the Collateral to any party other than Bank, except for (A) sales and leases of inventory in the ordinary course of Borrower's business, (B) the sale or other disposal of any item of equipment which is worn out or obsolete and which has been replaced by an item of equal suitability and value, owned by Borrower and made subject to the security interest under this Agreement, but which is otherwise free and clear of any lien, security interest, encumbrance or adverse claim, provided, however, the exceptions permitted in clauses (A) and (B) above shall automatically terminate upon the occurrence of an Event of Default.

(b) Impairment of Security Interest. Borrower will not take or fail to take any action which would in any manner impair the value or enforceability of Bank's security interest in any Collateral.

(c) Possession of Collateral. Borrower will not cause or permit the removal of any Collateral from its possession, control and risk of loss, nor will Borrower cause or permit the removal of any Collateral from the address on the signature page hereof and the addresses specified on Schedule "A" to this Agreement other than (i) as permitted by Subsection 5(a), or (ii) in connection with the possession of any Collateral by Bank or by its bailee, or (iii) at other locations of which Borrower has advised Bank.

(d) Changes in Location and Organization. Borrower will not cause or permit any change in the location of (i) any Collateral, (ii) any records concerning any Collateral, (iii) Borrower's residence or chief executive office, as the case may be, to a jurisdiction other than as represented in this Agreement, or (iv) change the state of Borrower's organization as it exists on the date of this Agreement, or (v) change Borrower's name as it exists on the date of this Agreement, unless Borrower shall have notified Bank in writing of such change at least thirty (30) days prior to the effective date of such change, and shall have first taken all action required by Bank for the purpose of further perfecting or protecting the security interest in favor of Bank in the Collateral. In any written notice furnished pursuant to this Subsection, Borrower will expressly state that the notice is required by this Agreement and contains facts that may require additional filings of financing statements or other notices for the purpose of continuing perfection of Bank's security interest in the Collateral.

(e) Restrictions on Future Agreements. Borrower will not, without Bank's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Borrower further agrees that it will not take any action, and will not permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would affect the validity or enforcement of the rights transferred to Bank under this Agreement or under any other Loan Document or the rights associated with those Patents which are necessary or desirable in the operation of Borrower's business. Borrower further agrees that the use by Bank of the Patents and Licenses as authorized hereunder shall be co-extensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Bank to Borrower.

6. Rights of Bank. Bank shall have the rights contained in this Section 6 at all times during the period of time this Agreement is effective after an Event of Default has occurred, even if such Event of Default has been cured.

(a) Power of Attorney. Borrower hereby irrevocably appoints Bank as Borrower's attorney-in-fact, such power of attorney being coupled with an interest, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise, from time to time in Bank's discretion, to take any action and to execute any instrument which Bank may deem necessary or appropriate to accomplish the purposes of this Agreement, including without limitation: (i) to obtain and adjust insurance required by Bank hereunder if Borrower has not acquired such within five (5) days after Bank has provided written notice of such failure; (ii) to demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of the Collateral; (iii) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (i) or (ii) above; and (iv) to file any claims or take any action or institute any proceedings which Bank may deem necessary or appropriate for the collection and/or preservation of the Collateral or otherwise to enforce the rights of Bank with respect to the Collateral.

(b) Performance by Bank. If Borrower fails to perform any agreement or obligation provided herein, Bank may itself perform, or cause performance of, such agreement or obligation, and the expenses of Bank incurred in connection therewith shall be a part of the indebtedness, secured by the Collateral and payable by Borrower on demand.

(c) Notification of Account Borrowers. Bank may at its discretion from time to time notify any or all obligors under any accounts or general intangibles (i) of Bank's security interest in such accounts or general intangibles and direct such obligors to make payment of all amounts due or to become due to Borrower thereunder directly to Bank, and (ii) to verify the accounts or general intangibles with such obligors. Bank shall have the right, at the expense of Borrower, to enforce collection of any such accounts or general intangibles and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as Borrower.

7. Events of Default. Each of the following constitutes an "Event of Default" under this Agreement (subject to all applicable grace and/or notice and cure provisions):

(a) Failure to Pay Indebtedness. The failure, refusal or neglect of Borrower or any Obligated Party to make any payment of principal or interest on the Indebtedness, or any portion thereof, as the same shall become due and payable; or

(b) Default Under Other Loan Documents. The occurrence of an Event of Default or Default under any of the other Loan Documents; or

(c) False Representation. Any representation contained herein is false or misleading in any material respect when made; or

(d) Action by Other Lienholder. The holder of any lien or security interest on any of the assets of Borrower, including without limitation, the Collateral (without hereby implying the consent of Bank to the existence or creation of any such lien or security interest on the Collateral), declares a default thereunder or institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

8. Remedies and Related Rights. If an Event of Default shall have occurred and be continuing, and without limiting any other rights and remedies provided herein, under any of the other Loan Documents or otherwise available to Bank, Bank may exercise one or more of the rights and remedies provided in this Section.

(a) Remedies. Bank may from time to time at its discretion, without limitation and without notice except as expressly provided in any of the Loan Documents:

(i) exercise in respect of the Collateral all the rights and remedies of a secured party under the Code (whether or not the Code applies to the affected Collateral);

(ii) require Borrower to, and Borrower hereby agrees that it will at its expense and upon request of Bank, assemble the Collateral as directed by Bank and make it available to Bank at a place to be designated by Bank which is reasonably convenient to both parties, Bank having no obligation to clean up or otherwise prepare the Collateral for sale;

(iii) reduce its claim to judgment or foreclose or otherwise enforce, in whole or in part, the security interest granted hereunder by any available judicial procedure;

(iv) sell or otherwise dispose of, at its office, on the premises of Borrower or elsewhere, the Collateral, as a unit or in parcels, by public or private proceedings, and by way of one or more contracts (it being agreed that the sale or other disposition of any part of the Collateral shall not exhaust Bank's power of sale, but sales or other dispositions may be made from time to time until all of the Collateral has been sold or disposed of or until the Indebtedness has been paid and performed in full), and at any such sale or other disposition it shall not be necessary to exhibit any of the Collateral;

(v) buy the Collateral, or any portion thereof, at any public sale;

(vi) buy the Collateral, or any portion thereof, at any private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations; and

(vii) apply for the appointment of a receiver for the Collateral, and Borrower hereby consents to any such appointment.

Borrower agrees that in the event Borrower is entitled to receive any notice under the Uniform Commercial Code, as it exists in the state governing any such notice, of the sale or other disposition

of any Collateral, reasonable notice shall be deemed given when such notice is deposited in a depository receptacle under the care and custody of the United States Postal Service, postage prepaid, at Borrower's address set forth on the signature page hereof, ten (10) days prior to the date of any public sale, or after which a private sale, of any of such Collateral is to be held. Bank shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Bank may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Borrower waives any right it may have to require Bank to pursue any third person for any of the indebtedness.

(b) Application of Proceeds. If any Event of Default shall have occurred, Bank may at its discretion apply or use any cash held by Bank as Collateral, and any cash proceeds received by Bank in respect of any sale or other disposition of, collection from, or other realization upon, all or any part of the Collateral as follows in such order and manner as Bank may elect:

(i) to the repayment or reimbursement of the reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Bank in connection with (A) the administration of the Loan Documents, (B) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, the Collateral, and (C) the exercise or enforcement of any of the rights and remedies of Bank hereunder;

(ii) to the payment or other satisfaction of any liens and other encumbrances upon the Collateral;

(iii) to the satisfaction of the indebtedness;

(iv) by holding such cash and proceeds as Collateral;

(v) to the payment of any other amounts required by applicable law; and

(vi) by delivery to Borrower or any other party lawfully entitled to receive such cash or proceeds whether by direction of a court of competent jurisdiction or otherwise.

(c) Deficiency. In the event that the proceeds of any sale of, collection from, or other realization upon, all or any part of the Collateral by Bank are insufficient to pay all amounts to which Bank is legally entitled, Borrower and any party who guaranteed or is otherwise obligated to pay all or any portion of the indebtedness shall be liable for the deficiency, together with interest thereon as provided in the Loan Documents.

(d) Non-Judicial Remedies. In granting to Bank the power to enforce its rights hereunder without prior judicial process or judicial hearing, Borrower expressly waives, renounces and knowingly relinquishes any legal right which might otherwise require Bank to enforce its rights by judicial process. Borrower recognizes and concedes that non-judicial remedies are consistent with the usage of trade, are responsive to commercial necessity and are the result of a bargain at arm's length. Nothing herein is intended to prevent Bank or Borrower from resorting to judicial process at either party's option.

(e) Other Recourse. Borrower waives any right to require Bank to proceed against any third party, exhaust any Collateral or other security for the indebtedness, or to have any third party joined with Borrower in any suit arising out of the indebtedness or any of the Loan Documents, or pursue any other remedy available to Bank. Borrower further waives any and all notice of acceptance of this Agreement and of the creation, modification, rearrangement, renewal or extension of the indebtedness. Borrower further waives any defense arising by reason of any disability or other defense of any third party or by reason of the cessation from any cause whatsoever of the liability of any third party. Until all of the indebtedness shall have been paid in full, Borrower shall have no right of subrogation and Borrower waives the right to enforce any remedy which Bank has or may hereafter have against any third party, and waives any benefit of and any right to participate in any other

security whatsoever now or hereafter held by Bank. Borrower authorizes Bank, and without notice or demand and without any reservation of rights against Borrower and without affecting Borrower's liability hereunder or on the indebtedness to (i) take or hold any other property of any type from any third party as security for the indebtedness, and exchange, enforce, waive and release any or all of such other property, (ii) apply such other property and direct the order or manner of sale thereof as Bank may in its discretion determine, (iii) renew, extend, accelerate, modify, compromise, settle or release any of the indebtedness or other security for the indebtedness, (iv) waive, enforce or modify any of the provisions of any of the Loan Documents executed by any third party, and (v) release or substitute any third party.

(f) Disclaimer of Warranties and Sales on Credit. In connection with any foreclosure sale of the Collateral, Bank may specifically disclaim any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. If Bank sells any of the Collateral upon credit, Borrower will be credited only with payments actually made by the purchaser, received by Bank and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Bank may resell the Collateral and Borrower shall be credited with the proceeds of the sale.

9. Compliance with Other Laws. Bank may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

10. Miscellaneous.

(a) Entire Agreement. This Agreement contains the entire agreement of Bank and Borrower with respect to the Collateral. If the parties hereto are parties to any prior agreement, either written or oral, relating to the Collateral, the terms of this Agreement shall amend and supersede the terms of such prior agreements as to transactions on or after the effective date of this Agreement, but all security agreements, financing statements, guaranties, other contracts and notices for the benefit of Bank shall continue in full force and effect to secure the indebtedness unless Bank specifically releases its rights thereunder by separate release.

(b) Amendment. No modification, consent or amendment of any provision of this Agreement or any of the other Loan Documents shall be valid or effective unless the same is in writing and signed by the party against whom it is sought to be enforced.

(c) Actions by Bank. The lien, security interest and other security rights of Bank hereunder shall not be impaired by (i) any renewal, extension, increase or modification with respect to the indebtedness, (ii) any surrender, compromise, release, renewal, extension, exchange or substitution which Bank may grant with respect to the Collateral, or (iii) any release or indulgence granted to any endorser, guarantor or surety of the indebtedness. The taking of additional security by Bank shall not release or impair the lien, security interest or other security rights of Bank hereunder or affect the obligations of Borrower hereunder.

(d) Waiver by Bank. Bank may waive any Event of Default without waiving any other prior or subsequent Event of Default. Bank may remedy any default without waiving the Event of Default remedied. Neither the failure by Bank to exercise, nor the delay by Bank in exercising, any right or remedy upon any Event of Default shall be construed as a waiver of such Event of Default or as a waiver of the right to exercise any such right or remedy at a later date. No single or partial exercise by Bank of any right or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right or remedy hereunder may be exercised at any time. No waiver of any provision hereof or consent to any departure by Borrower therefrom shall be effective unless the same shall be in writing and signed by Bank and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to or demand on Borrower in any case shall of itself entitle Borrower to any other or further notice or demand in similar or other circumstances.

(e) Costs and Expenses. Borrower will upon demand pay to Bank the amount of any and all costs and expenses (including without limitation, reasonable attorneys' fees and expenses), which Bank may incur in connection with (i) the transactions which give rise to the Loan Documents, (ii) the preparation of this Agreement and the perfection and preservation of the security interests granted under the Loan Documents, (iii) the administration of the Loan Documents, (iv) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, the Collateral, (v) the exercise or enforcement of any of the rights of Bank under the Loan Documents, or (vi) the failure by Borrower to perform or observe any of the provisions hereof.

(f) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND APPLICABLE FEDERAL LAWS, EXCEPT TO THE EXTENT PERFECTION AND THE EFFECT OF PERFECTION OR NON-PERFECTION OF THE SECURITY INTEREST GRANTED HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.

(g) VENUE. THIS AGREEMENT HAS BEEN ENTERED INTO IN TARRANT COUNTY, TEXAS, AND IT SHALL BE PERFORMABLE FOR ALL PURPOSES IN SUCH COUNTY. COURTS WITHIN THE STATE OF TEXAS SHALL HAVE JURISDICTION OVER ANY AND ALL DISPUTES ARISING UNDER OR PERTAINING TO THIS AGREEMENT AND VENUE FOR ANY SUCH DISPUTES SHALL BE IN TARRANT COUNTY, TEXAS.

(h) Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable, shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held to be illegal, invalid or unenforceable.

(i) No Obligation. Nothing contained herein shall be construed as an obligation on the part of Bank to extend or continue to extend credit to Borrower.

(j) Notices. All notices, requests, demands or other communications required or permitted to be given pursuant to this Agreement shall be in writing and given as set forth in the Loan Agreement.

(k) Binding Effect and Assignment. This Agreement (i) creates a continuing security interest in the Collateral, (ii) shall be binding on Borrower and the heirs, executors, administrators, personal representatives, successors and assigns of Borrower, (iii) shall be binding on all parties who/which become bound as Borrower under this Agreement, and (iv) shall inure to the benefit of Bank and its successors and assigns. Without limiting the generality of the foregoing, Bank may pledge, assign or otherwise transfer the indebtedness and its rights under this Agreement and any of the other Loan Documents to any other party. Borrower's rights and obligations hereunder may not be assigned or otherwise transferred without the prior written consent of Bank.

(l) Termination. It is contemplated by the parties hereto that from time to time there may be no outstanding indebtedness, but notwithstanding such occurrences, this Agreement shall remain valid and shall be in full force and effect as to subsequent outstanding indebtedness. Upon (i) the satisfaction in full of the indebtedness, (ii) the termination or expiration of any commitment of Bank to extend credit to Borrower, (iii) written request for the termination hereof delivered by Borrower to Bank, and (iv) written release or termination delivered by Bank to Borrower, this Agreement and the security interests created hereby shall terminate. Upon termination of this Agreement and Borrower's written request, Bank will, at Borrower's sole cost and expense, return to Borrower such of the Collateral as shall not have been sold or otherwise disposed of or applied pursuant to the terms hereof and execute and deliver to Borrower such documents as Borrower shall reasonably request to evidence such termination.

(m) Cumulative Rights. All rights and remedies of Bank hereunder are cumulative of each other and of every other right or remedy which Bank may otherwise have at law or in equity or under any of the other Loan Documents, and the exercise of one or more of such rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of any other rights or remedies.

(n) Gender and Number. Within this Agreement, words of any gender shall be held and construed to include the other gender, and words in the singular number shall be held and construed to include the plural and words in the plural number shall be held and construed to include the singular, unless in each instance the context requires otherwise.

(o) Descriptive Headings. The headings in this Agreement are for convenience only and shall in no way enlarge, limit or define the scope or meaning of the various and several provisions hereof.

Effective December 22, 2014.

Borrower's Address:

AVIATION DEVICES AND ELECTRONIC COMPONENTS,
L.L.C., a Texas limited liability company
1810 Mony Street
Fort Worth, Texas 76102

Borrower:

AVIATION DEVICES AND ELECTRONIC COMPONENTS,
L.L.C., a Texas limited liability company

By: _____

Name: Jeffrey D. Busby

Title: Managing Member

Bank's Address:

Southwest Bank
P.O. Box 962020
Fort Worth, Texas 76162-2020
Attn: Rosie Balbo

SCHEDULE "A"

List of Patents and Licenses

Patent Numbers 6695320, 7229516, 6530577, 8863625, 8691033