

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT4853388

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST
CONVEYING PARTY DATA	
Name	Execution Date
ASTRAL BUOYANCY COMPANY	02/13/2018
RECEIVING PARTY DATA	
Name:	LIGHTHOUSE FINANCIAL CORP.
Street Address:	925 WEST MARKET STREET
City:	GREENSBORO
State/Country:	NORTH CAROLINA
Postal Code:	27401
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	9079647
CORRESPONDENCE DATA	
Fax Number:	(336)478-1148
<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:	336/478-1147
Email:	mae@crlaw.com
Correspondent Name:	MADONNA EVANS
Address Line 1:	235 NORTH EDGEWORTH STREET
Address Line 4:	GREENSBORO, NORTH CAROLINA 27401
NAME OF SUBMITTER:	MADONNA A. EVANS
SIGNATURE:	/mae/
DATE SIGNED:	03/06/2018
Total Attachments: 11	
source=01468612#page1.tif	
source=01468612#page2.tif	
source=01468612#page3.tif	
source=01468612#page4.tif	
source=01468612#page5.tif	
source=01468612#page6.tif	
source=01468612#page7.tif	

source=01468612#page8.tif
source=01468612#page9.tif
source=01468612#page10.tif
source=01468612#page11.tif

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT ("Agreement"), is made and entered into this 13th day of February, 2018, between ASTRAL BUOYANCY COMPANY, a North Carolina corporation (the "Borrower"), and LIGHTHOUSE FINANCIAL CORP., a North Carolina corporation (the "Lender").

WITNESSETH:

WHEREAS, Borrower proposes to enter into a certain Loan and Security Agreement, dated of even date herewith (the Loan and Security Agreement, as it may hereafter be amended, modified, supplemented or restated from time to time, being herein called the "Loan Agreement"), with Lender pursuant to which Lender will make loans and extend credit to Borrower, all as more particularly described therein; and

WHEREAS, as a condition precedent to Lender's entering into the Loan Agreement and making loans and extending credit to Borrower pursuant thereto, Lender has required the execution of this Agreement by Borrower in favor of Lender.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Borrower agrees with Lender as follows:

1. Defined Terms. All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Agreement.

2. Grant of Security Interest. As security for the payment and performance of the Obligations, Borrower hereby assigns, grants, transfers and conveys to Lender, for security purposes, a security interest in and lien on all of Borrower's right, title and interest in, to and under the following property, in each case whether now existing or hereafter existing or in which the Borrower now has or hereafter acquires or develops an interest wherever the same may be located (the "Patent Collateral"):

(a) all letters patent of the U.S. or any other country, all registrations and recordings thereof, and all applications for letters patent of the U.S. or any other country, owned, held or used by Borrower in whole or in part, including all existing U.S. patents and patent applications of Borrower which are described in Schedule A attached hereto, as the same may be amended or supplemented pursuant hereto from time to time, together with all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and the inventions disclosed therein, and all rights corresponding thereto throughout the world, including the right to make, use, lease, sell and otherwise transfer the inventions disclosed therein, and all proceeds thereof,

including without limitation all license royalties and proceeds of infringement suits (collectively, the "Patents");

(b) all claims, causes of action and rights to sue for past, present and future infringement or unconsented use of any of the Patents and all rights arising therefrom and pertaining thereto;

(c) all general intangibles (as defined in the Code) and all intangible intellectual or other similar property of the Borrower of any kind or nature, whether now owned or hereafter acquired or developed, associated with or arising out of any of the Patents and not otherwise described above; and

(d) all proceeds of any and all of the foregoing Patent Collateral, including, without limitation, license royalties, rights to payment, accounts receivable, proceeds of infringement suits and all payments under insurance or any indemnity, warranty or guaranty payable by reason or loss or damage to or otherwise with respect to the foregoing Patent Collateral.

3. Representations, Warranties and Covenants of Borrower. Borrower represents, warrants and covenants that:

(a) The Patent Collateral is, to the best of its knowledge, subsisting and has not been judged invalid or unenforceable;

(b) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patent Collateral, free and clear of any liens, charges and encumbrances; and

(c) Borrower has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained.

4. Restrictions on Future Agreements. Borrower agrees that, until all of the Obligations have been satisfied in full and the Loan Agreement has been terminated in writing, it will not without Lender's prior written consent, enter into any agreement which is inconsistent with Borrower's duties under this Agreement, and Borrower further agrees that it will not take any action, or 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 and enforcement of the rights granted to Lender under this Agreement.

5. After-Acquired Patent Rights. If, before the Obligations have been satisfied in full, Borrower shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or any patent for any reissue, division, continuation, renewal,

extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of paragraph 1 hereof shall automatically apply thereto, and Borrower shall give to Lender prompt notice thereof in writing. Borrower authorizes Lender to modify this Agreement by amending Schedule A to include any future patents and patent applications which are Patent Collateral under paragraph 1 hereof or this paragraph 5.

6. Borrower's Rights Prior to Event of Default. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Loan Agreement), Borrower shall continue to own, and may use and enjoy the Patent Collateral in connection with its business operations, but only in a manner consistent with the presentation of their current substance, validity and registration.

7. Remedies Upon Event of Default. If an Event of Default shall have occurred and be continuing, Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and, specifically, those of a Lender under the Code. Notice of any sale or other disposition of the Patent Collateral shall be deemed reasonable and sufficient if given the Borrower at least ten (10) days before the time of any intended public or private sale or other disposition of any of the Patent Collateral is to be made.

8. Power of Attorney. Borrower hereby makes, constitutes and appoints Lender and any officer or agent of Lender as Lender may select as Borrower's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse Borrower's name on all applications, documents, papers and instruments necessary for Lender to use the Patent Collateral, or to grant or issue any exclusive or nonexclusive license under the Patent Collateral to anyone else as necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral to anyone else. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all of the Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated in writing.

9. Release of Security Interest. At such time as all of the Obligations shall have been satisfied and paid in full, Lender shall execute and deliver to Borrower all releases, termination statements, and other instruments as may be necessary or proper to release or reflect the release of Lender's security interest in the Patent Collateral.

10. Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining, or preserving the Patent Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to

the Patent Collateral, shall be borne and paid by Borrower on demand by Lender and until so paid shall be added to the amount of the Obligations and shall bear interest at the rate prescribed in the Loan Agreement.

11. Litigation and Proceedings.

(a) Borrower shall have the duty, through counsel acceptable to Lender, to prosecute diligently any patent application of the Patents pending as of the date of this Agreement or thereafter, other than those discontinued or abandoned in the ordinary course of business, until the Obligations shall have been paid in full, and to preserve and maintain all rights in patent applications and patents of the Patents in the ordinary course of business. Any expenses incurred in connection with such an application shall be borne by Borrower. Borrower shall not abandon any right to file a patent application, or any pending patent application or patent, other than those discontinued or abandoned in the ordinary course of business without the consent of Lender, which consent shall not be unreasonably withheld.

(b) Lender shall have the right, but shall in no way be obligated, to bring suit in its own name, as the holder of a security interest in the Patent Collateral, to enforce the Patents, and any license thereunder, in which event Borrower shall at the request of Lender do any and all reasonable and lawful acts (including bringing suit) and execute any and all proper documents reasonably required by Lender in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify the Lender for all reasonable costs and expenses incurred in the exercise of its rights under this paragraph 11. Nothing herein shall be deemed to prohibit Borrower from bringing any such suit in its own name at any time that an Event of Default does not exist, if Lender declines to institute suit.

12. Lender May Perform. If Borrower fails to comply with any of its obligations hereunder, Lender may do so in Borrower's name or in Lender's name, but at Borrower's expense, and Borrower agrees to reimburse Lender in full for all expenses, including reasonable attorney's fees, incurred by Lender in prosecuting, defending or maintaining the Patents or Lender's interest therein pursuant to this Agreement.

13. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Modification. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 5 hereof.

15. Binding Effect; Benefits. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

16. Notices. All notices and other communications hereunder shall be in writing and shall be made by telegram, telex, electric transmitter or overnight air courier or certified or registered mail, return receipt requested, and shall be deemed to be received by the other party one (1) business day after sending, if sent by telegram, telex, electric transmitter or overnight air courier, and three (3) business days after mailing, if sent by certified or registered mail. All notices addressed to the party to be notified as follows:

If to Borrower, at: Astral Buoyancy Company
829 Riverside Drive, Suite 125
Asheville, North Carolina 28801
Attention: Philip S. Curry
Facsimile No. _____

If to Lender, at: Lighthouse Financial Corp.
925 West Market Street
Greensboro, North Carolina 27401
Attention: Todd Miller
Facsimile No. 336-230-2262

or to such other address as each party may designate for itself by like notice given in accordance with this Section 16.

17. Governing Law; Consent to Forum. THIS AGREEMENT HAS BEEN NEGOTIATED, EXECUTED AND DELIVERED AT AND SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF NORTH CAROLINA. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA. AS PART OF THE CONSIDERATION FOR NEW VALUE RECEIVED, AND REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF BUSINESS OF THE BORROWER OR THE LENDER, THE BORROWER HEREBY CONSENTS AND AGREES THAT THE SUPERIOR COURT OF GUILFORD COUNTY, NORTH CAROLINA, OR, AT THE LENDER'S OPTION, THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF NORTH CAROLINA, GREENSBORO DIVISION, SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE BORROWER AND THE LENDER PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT. THE BORROWER EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND THE BORROWER HEREBY WAIVES ANY OBJECTION WHICH THE BORROWER MAY HAVE BASED

UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. THE BORROWER HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO THE BORROWER AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON BORROWER'S ACTUAL RECEIPT THEREOF. NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO AFFECT THE RIGHT OF THE LENDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW, OR TO PRECLUDE THE ENFORCEMENT BY THE LENDER OF ANY JUDGMENT OR ORDER OBTAINED IN SUCH FORUM OR THE TAKING OF ANY ACTION UNDER THIS AGREEMENT TO ENFORCE THIS AGREEMENT IN ANY OTHER APPROPRIATE FORUM OR JURISDICTION.

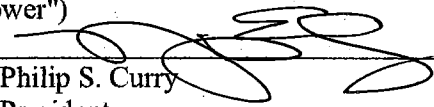
18. Waiver of Jury Trial. THE BORROWER WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO TRIAL BY JURY (WHICH THE LENDER HEREBY ALSO WAIVES) IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OF THE LOAN DOCUMENTS, THE OBLIGATIONS OR THE COLLATERAL. THE BORROWER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE LENDER'S ENTERING INTO THE LOAN AGREEMENT AND EXTENDING CREDIT TO THE BORROWER THEREUNDER AND THAT THE LENDER IS RELYING UPON THIS WAIVER IN ITS FUTURE DEALINGS WITH THE BORROWER. THE BORROWER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THE FOREGOING WAIVER WITH ITS LEGAL COUNSEL AND HAS KNOWINGLY AND VOLUNTARILY WAIVED ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

19. Counterparts. This Agreement may be executed by the parties hereto in one or more counterparts, each of which when so executed shall be an original. When taken together, such counterparts shall constitute but one and the same document.

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT]

WITNESS the execution hereof on the day and year first above written.

ASTRAL BUOYANCY COMPANY
("Borrower")

By: 
Name: Philip S. Curry
Title: President

LIGHTHOUSE FINANCIAL CORP.
("Lender")

By: _____
Name: _____
Title: _____

STATE OF IDAHO

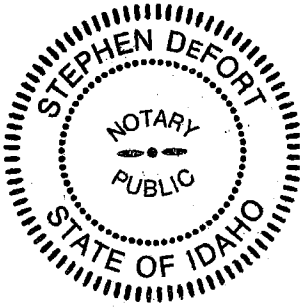
COUNTY OF BLAINE

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document:

Phillip S. Curry (insert name, not title).

Date: 26th of Feb., 2018

Stephen DeFort
Print Name: Stephen DeFort
Notary Public



(Official Seal)

My Commission expires: 05/19/2023

STATE OF _____

COUNTY OF _____

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document:

_____ (insert name, not title).

Date: _____, 2018

Print Name: _____
Notary Public

(Official Seal)

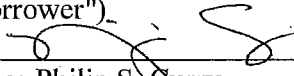
My Commission expires: _____

[SIGNATURE PAGE TO PATENT SECURITY AGREEMENT]

WITNESS the execution hereof on the day and year first above written.

ASTRAL BUOYANCY COMPANY

("Borrower")

By: 

Name: Philip S. Curry

Title: President

LIGHTHOUSE FINANCIAL CORP.

("Lender")

By: 

Name: MARK WALLING

Title: EXEC VP

STATE OF _____

COUNTY OF _____

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document:

_____ (insert name, not title).

Date: _____, 2018

Print Name: _____

Notary Public

(Official Seal)

My Commission expires: _____

STATE OF North Carolina

COUNTY OF Guilford

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document:

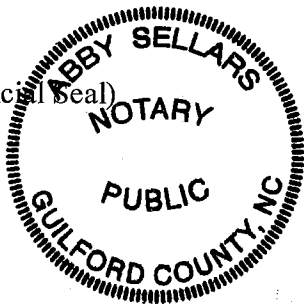
Mark Walling (insert name, not title).

Date: February 19, 2018

Print Name: Abby Sellars
Abby Sellars

Notary Public

(Official Seal)



My Commission expires: 9/7/2021

SCHEDULE A

ASTRAL BUOYANCY COMPANY PATENTS

<u>Title</u>	<u>Registration No.</u>	<u>Registration Date</u>	<u>Expiration Date</u>
AIRESCAPE	9079647	August 7, 2008	

The above-listed patent is owned by Astral Buoyancy Company, or its affiliates.