

## PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1  
 Stylesheet Version v1.2

EPAS ID: PAT4989163

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
PACIFIC AEROSPACE & ELECTRONICS, INC.	05/31/2018
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	ANTARES CAPITAL LP, AS AGENT
<b>Street Address:</b>	500 W MONROE ST
<b>City:</b>	CHICAGO
<b>State/Country:</b>	ILLINOIS
<b>Postal Code:</b>	60661
<b>PROPERTY NUMBERS Total: 1</b>	
<b>Property Type</b>	<b>Number</b>
<b>Patent Number:</b>	6355362
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(312)577-4565
<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>	
<b>Phone:</b>	312-577-8265
<b>Email:</b>	kristin.brozovic@kattenlaw.com
<b>Correspondent Name:</b>	KRISTIN BROZOVIC C/O KATTEN
<b>Address Line 1:</b>	525 W MONROE ST
<b>Address Line 4:</b>	CHICAGO, ILLINOIS 60661
<b>ATTORNEY DOCKET NUMBER:</b>	387132-330
<b>NAME OF SUBMITTER:</b>	KRISTIN BROZOVIC
<b>SIGNATURE:</b>	/Kristin Brozovic/
<b>DATE SIGNED:</b>	06/04/2018
<b>Total Attachments: 5</b>	
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## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT, dated as of May 31, 2018, is made by Pacific Aerospace & Electronics, Inc., a Washington corporation (the "Grantor"), in favor of Antares Capital LP ("Antares Capital"), as administrative agent (in such capacity, together with its successors and permitted assigns, the "Agent") for the Lenders and the L/C Issuers (as defined in the Credit Agreement referred to below) and the other Secured Parties.

### WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, dated as of December 23, 2016 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Borrowers, the Borrower Representative, Holdings, the other Credit Parties, the Lenders and the L/C Issuers from time to time party thereto and Antares Capital, as Agent for the Lenders and the L/C Issuers, the Lenders and the L/C Issuers have severally agreed to make extensions of credit to Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Grantor has agreed, pursuant to a Guaranty and Security Agreement of even date herewith in favor of Agent (as such agreement may be amended, restated, supplemented or otherwise modified from time to time, the "Guaranty and Security Agreement"), to guarantee the Obligations (as defined in the Credit Agreement) of each Borrower; and

WHEREAS, the Grantor is party to the Guaranty and Security Agreement pursuant to which the Grantor is required to execute and deliver this Patent Security Agreement for purposes of filing with the U.S. Patent and Trademark Office.

NOW, THEREFORE, in consideration of the premises and to induce the Lenders, the L/C Issuers and Agent to enter into the Credit Agreement and to induce the Lenders and the L/C Issuers to make their respective extensions of credit to Borrowers thereunder, the Grantor hereby agree with Agent as follows:

Section 1. Defined Terms. Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

Section 2. Grant of Security Interest in Patent Collateral. The Grantor, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of the Grantor, hereby mortgages, pledges and hypothecates to Agent for the benefit of the Secured Parties, and grants to Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of the Grantor (the "Patent Collateral"):

(a) all of its U.S. Patents and all IP Licenses providing for the grant by or to such Grantor of any right under any Patent, including, without limitation, those referred to on Schedule 1 hereto;

(b) all reissues, reexaminations, continuations, continuations-in-part, divisionals, renewals and extensions of the foregoing; and

(c) all income, royalties, proceeds and Liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.

; provided, however, that the Patent Collateral being assigned hereunder shall not be construed as a current assignment but rather as a security interest that provides the Secured Parties such rights as are provided to holders of security interests under applicable law.

Section 3. Guaranty and Security Agreement. The security interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interest granted to Agent pursuant to the Guaranty and Security Agreement and each Grantor hereby acknowledges and agrees that the rights and remedies of Agent with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Section 4. Grantor Remains Liable. The Grantor hereby agrees that, anything herein to the contrary notwithstanding, the Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with their Patents and IP Licenses subject to a security interest hereunder.

Section 5. Counterparts. This Patent Security Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart.

Section 6. Governing Law. This Patent Security Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

PACIFIC AEROSPACE & ELECTRONICS, INC., a  
Washington corporation, as Grantor

By: 

Name: William Hubbard

Title: President

Patent Security Agreement (PAE)

**PATENT**  
**REEL: 045972 FRAME: 0527**

ACCEPTED AND AGREED  
as of the date first above written:

ANTARES CAPITAL LP, as Agent

By: Joshua Becker  
Name: Joshua Becker  
Title: Duly Authorized Signatory

SCHEDULE I  
TO  
PATENT SECURITY AGREEMENT

1. Registered Patents

Title	Patent No.	Issue Date	Owner
Electronics Packages Having a Composite Structure and Methods for Manufacturing Such Electronics Packages	6355362	3/12/02	Pacific Aerospace & Electronics, Inc.

2. Patent Applications

None.

3. IP Licenses

None.