

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

MCD
7-8-98

07-13-1998



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U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)
Document ID # _____

Correction of PTO Error
Reel # _____ Frame # _____

Corrective Document
Reel # _____ Frame # _____

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger Change of Name

Other _____

Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AK/A/T/A

Composed of

Address (line 1)

Address (line 2)

Address (line 3) City State/Country Zip Code

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

07/10/1998 DCOATES 00000174 74314547

01 FC:481 40.00 OP
02 FC:482 25.00 OP

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Mail documents to be recorded with required cover sheet(s) information to: 0398
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name Federal Research Corp.

Address (line 1) 400 Seventh St NW

Address (line 2) Washington DC 20004

Address (line 3) Suite 101

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

13

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<u>74-314547</u>	<u>74-296051</u>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

2

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 6500

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Sara A. McIntire

Name of Person Signing

Sara A. McIntire
Signature

June 30, 1998

Date Signed

COLLATERAL TRADEMARK SECURITY AGREEMENT

THIS COLLATERAL TRADEMARK SECURITY AGREEMENT ("Security Agreement") made as of the 26th day of June, 1998, by AVTECH CORPORATION, a Washington corporation ("Company") and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, successor-by-merger to Bank of America Illinois, having an office at 231 South LaSalle Street, Chicago, Illinois 60697, as agent on behalf of itself and the Lenders (as defined below) ("Agent").

WITNESSETH:

WHEREAS, DeCrane Aircraft Holdings, Inc., a Delaware corporation ("DAH"), has entered into a Loan and Security Agreement dated as of April 15, 1997 (said Loan and Security Agreement, as it may have been or may hereafter be amended or otherwise modified from time to time, being called the "Loan and Security Agreement"; capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Loan and Security Agreement) with Agent and various financial institutions which may now be or hereafter become parties thereto ("Lenders"); and

WHEREAS, to induce Agent and Lenders to give effect to the amendments and other provisions of that certain Consent and Amendment No. 3 to Loan and Security Agreement dated as of May 29, 1998 among DAH, Agent and the Lenders (the "Consent and Amendment"), Company executed and delivered, among other things, that certain Guaranty of even date herewith in favor of Agent and Lenders (the "Guaranty"); and

WHEREAS, it is a condition precedent to the effectiveness of the amendments and other provisions of the Consent and Amendment that Company shall grant the security interest and make the collateral assignment contemplated by this Security Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for good and valuable consideration, the receipt of which is hereby acknowledged, Company hereby agrees with Agent as follows:

1. Grant of Security Interest. To secure the prompt and complete payment, observance and performance of all of "Borrower's Obligations" (as such term is defined in the Guaranty), Company hereby grants a security interest in, mortgages and collaterally assigns to Agent, for the benefit of Agent, Issuer and Lenders, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale as hereinafter provided after the occurrence of an Event of Default and during the continuance thereof, to the extent permitted by law, all of Company's right, title and interest in the following property, whether now owned or existing or hereafter acquired or arising (collectively, the "Collateral"):

(a) trademarks, trademark registrations, interests under trademark license agreements, trade names and trademark applications, service marks, service mark registrations, service mark applications and brand names, including, without limitation, the trademarks, trade names, service marks and registrations and applications thereof listed on Exhibit A attached hereto and made a part hereof and the trademark license agreements (both as licensee and licensor) listed on Exhibit B attached hereto and made a part hereof and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due and/or payable to Company 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, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names, service marks, applications, registrations, and interests under trademark license agreements, together with the items described in clauses (i) through (iv) in this subsection (a), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(b) the goodwill of Company's business connected with the Trademarks.

2. Restrictions on Future Agreements. Company agrees that until all Liabilities shall have been satisfied in full and the Loan and Security Agreement shall have been terminated, Company will not, without Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with Company's obligations under this Security Agreement and Company 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 adversely affect the validity or enforcement of the rights transferred to Agent under this Security Agreement and any such agreement or action if it shall take place shall be null and void and of no effect whatsoever.

3. New Trademarks. Company represents and warrants that the Trademarks listed on Exhibit A and the license agreements listed on Exhibit B constitute all of the registered Trademarks now owned by or licensed to or by Company on the date hereof. If, before the Liabilities have been satisfied in full and the Loan and Security Agreement has been terminated, Company shall (i) obtain rights to any new trademarks, trademark registrations or applications or trade names or (ii) become entitled to the benefit of any trademark application, trademark, trademark registration or trade name, the provisions of paragraph 1 above shall automatically apply thereto and Company shall give to Agent prompt written notice thereof. Company hereby authorizes Agent to modify this Security Agreement by amending Exhibit A and Exhibit B to include any future trademarks, trademark registrations, trademark applications, trade names and license agreements which are Trademarks, as applicable, under paragraph 1 above or under this paragraph 3.

4. Additional Representations and Warranties. Company hereby represents, warrants, covenants and agrees that:

(a) It is and will continue to be the owner of all of its right, title and interest in the Collateral, free from any lien or security interest in favor of any Person except for the security interest granted to Agent.

(b) It has the full right and power to grant the security interest in the Collateral made hereby.

(c) It has made no previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer, or encumbrance on any of the Collateral except for license agreements to use such Collateral granted to licensees described on Exhibit B hereto.

(d) There is no financing statement or other document or instrument now signed or on file in any public office covering any part of the Collateral, except those showing Agent as secured party, and so long as any Liabilities remain outstanding under the Loan and Security Agreement or the Loan and Security Agreement has not been terminated, Company shall not execute, and there shall not be on file in any public office, any such financing statement or other document or instruments, except financing statements filed or to be filed in favor of Agent.

(e) All information furnished to Agent or Lenders by Company concerning the Collateral and proceeds thereof is, or will be at the time the same is furnished, accurate and correct in all material respects.

(f) To the best of Company's knowledge after due inquiry, no infringement or unauthorized use presently is being made of any of the Trademarks which would adversely affect the fair market value of the Collateral or the benefits of this Security Agreement granted to Agent including, without limitation, the priority or perfection of the security interest granted herein or the remedies of Agent hereunder.

5. Royalties; Terms. Company hereby agrees that any rights granted hereunder to Agent with respect to all Collateral as described above shall be worldwide and without any liability for royalties or other related charges from Agent to Company. The term of the assignments of security interest granted herein shall extend until the earlier of (i) the expiration or termination of each of the Trademarks assigned hereunder or (ii) all Liabilities have been paid in full and the Loan and Security Agreement has been terminated.

6. Sale, Assignment or Lease. Company agrees not to sell or assign its interest in, or grant any license under, any of the Collateral without the prior written consent of Agent.

7. Release of Security Interest. This Security Agreement is made for collateral purposes only. Upon payment in full of all Payment Liabilities and termination of the Loan and Security Agreement, Agent shall, at Company's sole cost and expense, execute and deliver to Company all termination statements, assignments and other instruments as may be necessary or proper to re-vest in Company full title to the Collateral granted hereby, subject to any disposition thereof which may have been made by Agent pursuant hereto or pursuant to any other agreement between Company and Agent.

8. Duties of Company. Company shall have the duty, to the extent commercially reasonable, (i) to file and prosecute diligently any trademark or service mark application that is part of the Trademarks pending as of the date hereof or thereafter until all Payment Liabilities shall have been paid in full and the Loan and Security Agreement shall have been terminated, (ii) to make application on Trademarks, as appropriate, and (iii) to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with this paragraph 8 shall be borne by Company.

If Company fails to comply with any of the foregoing duties, Agent may, but shall not be required to, do so in Company's name to the extent permitted by law, and at Company's expense, and Company hereby agrees to reimburse Agent in full for all expenses, including the fees and disbursements of counsel incurred by Agent in protecting, defending and maintaining the Collateral, which counsel may be an employee of Agent.

In the event that Company shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to discharge any lien or security interest prohibited hereby, or shall fail to comply with any other duty hereunder, Agent may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of Company, and all moneys so paid out shall be repayable on demand, together with interest at the rate of interest applicable to Revolving Loans under the Loan and Security Agreement.

9. Right to Sue. Upon the occurrence and during the continuance of an Event of Default, Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks, and any licenses thereunder, and, if Agent shall commence any such suit, Company shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent or such other party in aid of such enforcement and Company shall promptly, upon demand, reimburse and indemnify Agent or such other party for all costs and expenses incurred by Agent or such other party in the exercise of its or their rights under this paragraph 9.

10. Waivers. No course of dealing between Company and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. Severability. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid or 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 Security Agreement in any jurisdiction.

12. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraph 3 hereof or by a writing signed by the parties hereto.

13. Cumulative Remedies; Power of Attorney. All of the rights and remedies of Agent with respect to the Collateral, whether established hereby or by any other agreement between Agent and Company, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Company hereby authorizes Agent to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Company's true and lawful attorney-in-fact, with power at any time after the occurrence of an Event of Default and during the continuance thereof, (i) to endorse Company's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Collateral, or to grant or issue any exclusive or non-exclusive license under the Collateral to anyone, or to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone free and clear of any encumbrance upon title thereof created after the date of this Security Agreement, and (ii) to take any other actions with respect to the Collateral as Agent reasonably deems in its best interests. This power of attorney, being coupled with an interest, shall be irrevocable until all Payment Liabilities shall have been paid in full and the Loan and Security Agreement has been terminated. Agent shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located. Recourse to security will not be required at any time.

14. Care of Collateral. Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as Company may request in writing, but failure of Agent to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of Agent to preserve or protect any rights with respect to the Collateral against prior parties, or to do any act with respect to preservation of the Collateral not so requested by Company shall be deemed a failure to exercise reasonable care in the custody or preservation of the Collateral.

15. Certain Rights Regarding Collateral and Liabilities. Agent may from time to time, whether before or after any of Borrower's Obligations shall become due and payable, without notice to Company, take all or any of the following actions following the occurrence of an Event of Default: (a) transfer all or any part of the Collateral into the name of Agent or its nominee, with or without disclosing that such Collateral is subject to the lien and security interest hereunder, (b) notify the parties obligated on any of the Collateral to make payment to Agent of any amounts due or to become due hereunder, (c) enforce collection of any of the Collateral by suit

or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto and (d) take control of any proceeds of the Collateral. Agent may, furthermore, from time to time, whether before or after any of Borrower's Obligations shall become due and payable, without notice to Company, take all or any of the following actions: (a) retain or obtain a security interest in any property, in addition to the Collateral, to secure any of Borrower's Obligations, (b) retain or obtain the primary or secondary liability of any party or parties, in addition to Company with respect to any of Borrower's Obligations, (c) extend or renew for any period (whether or not longer than the original period) or exchange any of Borrower's Obligations or release or compromise any obligation of any nature of any party with respect thereto, (d) surrender, release or exchange all or any part of any property, in addition to the Collateral, securing any of Borrower's Obligations, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect to any such property, and (e) resort to the Collateral in accordance with the terms hereof for payment of any of Borrower's Obligations whether or not it shall have resorted to any other property securing Borrower's Obligations or shall have proceeded against any party primarily or secondarily liable on any of Borrower's Obligations.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Company and its successors and assigns, and shall inure to the benefit of Agent, Issuer and Lenders and their respective successors, transferees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any of the Trademarks are governed by the laws of a jurisdiction other than the State of Illinois. Unless otherwise defined herein or in the Loan and Security Agreement, terms used in Article 9 of the Uniform Commercial Code as enacted in the State of Illinois are used herein as therein defined.

18. Notice. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon either of the parties by the other, or whenever either of the parties desires to give or serve upon the other any communication with respect to this Security Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be delivered to the Company in care of DAH in accordance with Section 11.8 of the Loan and Security Agreement.

19. Consent to Jurisdiction. To induce Agent to accept this Security Agreement, Company irrevocably agrees that, subject to Agent's sole and absolute election, ALL ACTIONS OR PROCEEDINGS IN ANY WAY, MANNER OR RESPECT, ARISING OUT OF OR FROM OR RELATED TO THIS SECURITY AGREEMENT OR THE COLLATERAL SHALL BE LITIGATED IN COURTS HAVING SITUS WITHIN THE CITY OF CHICAGO, STATE OF ILLINOIS. COMPANY HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURTS LOCATED WITHIN

SAID CITY AND STATE AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO COMPANY IN CARE OF DAH AT DAH'S ADDRESS STATED ON THE SIGNATURE PAGE OF THE LOAN AND SECURITY AGREEMENT AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT THEREOF.

20. WAIVER OF JURY TRIAL. COMPANY AND AGENT EACH WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (i) UNDER THIS SECURITY AGREEMENT OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith, OR (ii) ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Security Agreement as of the date first above written.

AVTECH CORPORATION

"Company"

By Robert Kank
Its Secretary

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as Agent

By David A. Johanson
Its David A. Johanson
Vice President

ACKNOWLEDGMENT

STATE OF ~~ILLINOIS~~)
CALIFORNIA) SS
COUNTY OF ~~COOK~~)
LOS ANGELES)

I, Kristi Hutchinson, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Robert A. Rankin, the Secretary of Avtech Corporation, a Washington corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Robert A. Rankin, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation.

GIVEN under my hand and notarial seal this 20th day of June, 1998.

Kristi Hutchinson
Notary Public



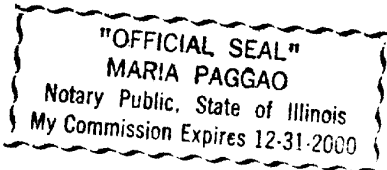
My Commission Expires: 12-9-98

ACKNOWLEDGMENT

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, MARIA L. PAGGAO, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT DAVID JOHANSON, the vice president of Bank of America National Trust and Savings Association, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such vice president, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said bank.

GIVEN under my hand and notarial seal this 26th day of June, 1998.



Maria L. Paggo
Notary Public

My Commission Expires: 12/31/2000

EXHIBIT A
to
Collateral Trademark Security Agreement

TRADEMARK REGISTRATIONS AND APPLICATIONS

TRADEMARKS

<u>Mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
AVFAX	74-314547	August 24, 1993
IDEAS THAT FLY	74-296051	November 16, 1993

TRADEMARK APPLICATIONS

<u>Mark</u>	<u>Application No.</u>	<u>Application Date</u>
None.		

EXHIBIT B
to
Collateral Trademark Security Agreement
TRADEMARK LICENSE AGREEMENTS

None.