

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
APCO Acquisition Company, LLC	03/31/2011
RECEIVING PARTY DATA	
Name:	Wells Fargo Business Credit Canada ULC
Street Address:	55 Standish Court, Suite 400
City:	Mississauga
State/Country:	ONTARIO
Postal Code:	L5R 4J4
PROPERTY NUMBERS Total: 3	
Property Type	Number
Patent Number:	5090439
Patent Number:	4586528
Patent Number:	4834621
CORRESPONDENCE DATA	
Fax Number:	(612)766-1600
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	612-766-6911
Email:	scarlson@faegre.com
Correspondent Name:	Susan Carlson
Address Line 1:	90 South 7th St Ste 2200
Address Line 4:	Minneapolis, MINNESOTA 55402
NAME OF SUBMITTER:	Susan Carlson
Total Attachments: 8 source=Patent Security Agreement (APCO in favor of Wells Fargo Canada)#page1.tif source=Patent Security Agreement (APCO in favor of Wells Fargo Canada)#page2.tif source=Patent Security Agreement (APCO in favor of Wells Fargo Canada)#page3.tif source=Patent Security Agreement (APCO in favor of Wells Fargo Canada)#page4.tif source=Patent Security Agreement (APCO in favor of Wells Fargo Canada)#page5.tif source=Patent Security Agreement (APCO in favor of Wells Fargo Canada)#page6.tif source=Patent Security Agreement (APCO in favor of Wells Fargo Canada)#page7.tif source=Patent Security Agreement (APCO in favor of Wells Fargo Canada)#page8.tif	

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PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this “**Agreement**”), dated as of March 31, 2011, is made by and between APCO ACQUISITION COMPANY, LLC, a Delaware limited liability company (the “**Debtor**”), and WELLS FARGO BUSINESS CREDIT CANADA ULC, an Alberta unlimited liability company (the “**Secured Party**”).

Recitals

DeZURIK Canada, Inc., a federal corporation formerly known as 7093896 Canada Inc. (the “**Canadian Subsidiary**”), and the Secured Party are parties to an Amended and Restated Credit and Security Agreement dated as of May 13, 2010, as amended by a Amendment to Amended and Restated Credit and Security Agreement dated as of October 29, 2010, and a Second Amendment to Amended and Restated Credit and Security Agreement of even date herewith (the “**Second Amendment**”) (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), pursuant to which, among other things, the Secured Party extended credit and other financial accommodations to the Canadian Subsidiary.

As a condition to continuing to extend credit to or for the benefit of the Canadian Subsidiary under the Credit Agreement, the Secured Party has required the Debtor to, among other things, guaranty the payment and performance of all of the Canadian Subsidiary’s Obligations (as defined below) under the Credit Agreement pursuant to the terms of a Guaranty of even date herewith made by the Debtor in favor of the Secured Party (as amended, restated, supplemented or otherwise modified from time to time, the “**Guaranty**”). The Guaranty is secured by a Security Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the “**Security Agreement**”), made by the Debtor for the benefit of the Secured Party, pursuant to which the Debtor has granted the Secured Party a Security Interest (as defined in the Security Agreement) in the Personal Property Collateral (as defined in the Security Agreement).

As a condition of entering into the Second Amendment, the Secured Party has required, among other things, the execution and delivery of this Agreement.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement, the Guaranty and herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Definitions.** All terms defined in the Credit Agreement that are not otherwise defined herein shall have the meanings set forth in the Credit Agreement. In addition, the following terms have the meanings set forth below:

“**Obligations**” has the meaning set forth in the Credit Agreement.

“**Patents**” means all of the Debtor’s right, title, claim and interest in and to patents, expired patents or applications for patents, fees or royalties with respect to each,

and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

“**Security Interest**” has the meaning given in Section 2.

“**U.S. Security Interest**” has the meaning set forth in the Security Agreement.

2. **Security Interest.** Subject to the U.S. Security Interest, the Debtor hereby irrevocably pledges, assigns to and grants the Secured Party a security interest (the “**Security Interest**”), with power of sale to the extent permitted by law, in the Patents to secure payment and performance of the Obligations and the Guaranty. As set forth in the Security Agreement, the Security Interest is coupled with a security interest in substantially all of the Personal Property Collateral (as defined in the Security Agreement) of the Debtor.

3. **Representations, Warranties and Agreements.** The Debtor represents, warrants and agrees as follows:

(a) *Existence; Authority.* The Debtor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and this Agreement has been duly and validly authorized by all necessary limited liability company action on the part of the Debtor.

(b) *Patents.* Exhibit A accurately lists all Patents owned or controlled by the Debtor as of the date hereof, or to which the Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof the Debtor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Debtor shall promptly provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) *Affiliates.* As of the date hereof, no Affiliate owns, controls or has a right to have assigned to it any items that would, if such item were owned by the Debtor, constitute Patents. If after the date hereof any Affiliate owns, controls or has a right to have assigned to it any such items, then the Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Debtor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a patent security agreement substantially in the form of this Agreement.

(d) *Title.* The Debtor has absolute title to each Patent listed on Exhibit A, free and clear of all Liens except Permitted Liens. The Debtor (i) will have, at the time the Debtor acquires any rights in Patents hereafter arising, absolute title to each such Patent free and clear of all Liens except Permitted Liens and (ii) will keep all Patents free and clear of all Liens except Permitted Liens.

(e) *No Sale.* Except as permitted in the U.S. Credit Agreement, the Debtor will not assign, transfer, encumber or otherwise dispose of the Patents or any interest therein without the Secured Party's prior written consent.

(f) *Defense.* The Debtor will, at its own expense and using commercially reasonable efforts, protect and defend the Patents against all claims or demands of all Persons other than those holding Permitted Liens.

(g) *Maintenance.* The Debtor will at its own expense maintain the Patents to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent and applications therefor. The Debtor covenants that it will neither abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least thirty (30) days, to allow the Secured Party to timely pay any such maintenance fees or annuities which may become due on any Patents, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(h) *Secured Party's Right to Take Action.* If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Patent, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(i) *Costs and Expenses.* Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party taking action under subsection (h) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the Default Rate.

(j) *Power of Attorney.* To facilitate the Secured Party's taking action under subsection (h) and exercising its rights under Section 6, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time

to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or to grant or issue any exclusive or non-exclusive license under the Patents to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents to any third party. The Debtor hereby ratifies all that the Secured Party or its delegate shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the indefeasible payment in full in cash and performance of all Obligations.

4. **Debtor's Use of the Patents.** The Debtor shall be permitted to control and manage the Patents, including the right to exclude others from making, using or selling items covered by the Patents and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. **Events of Default.** Each of the following occurrences shall constitute an event of default under this Agreement (herein called "**Event of Default**"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; (b) the Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; (c) the Debtor shall fail to perform any of its obligations under the Guaranty or under the Security Agreement; or (d) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. **Remedies.** Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Guaranty and the Security Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents, subject to the U.S. Security Interest.

(c) The Secured Party may enforce the Patents and any licenses thereunder, and if the Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of the Secured Party, do any and all lawful acts and execute any and all proper documents required by the Secured Party in aid of such enforcement.

7. **Miscellaneous.** This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such

right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents at all or in any particular manner or order, or to apply any cash proceeds of Patents in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the State of Minnesota without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations. **THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

Signature pages follow

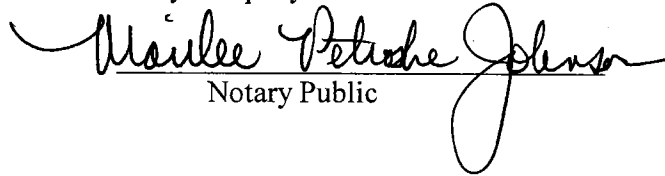
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

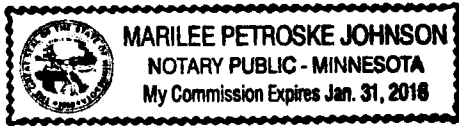
APCO ACQUISITION COMPANY, LLC

By: 
Name: Larry Korf
Title: Chief Manager / President

STATE OF Minnesota)
COUNTY OF Stearns)

The foregoing instrument was acknowledged before me this 31st day of March, 2011, by Larry Korf, the Chief Manager / President of APCO Acquisition Company, LLC, a Delaware limited liability company, on behalf of the limited liability company.

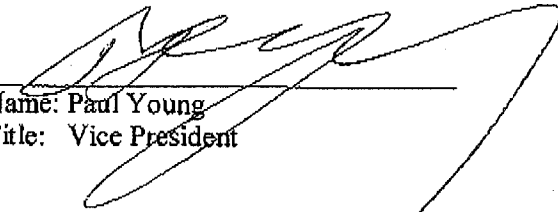

Notary Public



Signature Page to APCO Patent Security Agreement (Canada)

PATENT
REEL: 026067 FRAME: 0802

**WELLS FARGO BUSINESS CREDIT
CANADA ULC**

By: 
Name: Paul Young
Title: Vice President

Signature Page to APCO Patent Security Agreement (Canada)

PATENTS

Expired Patents

	Patent No. / App. No.	Country	Title
1.	5,090,439	United States	Atmospheric Compensating Automatic Air Release Valve
2.	4,586,528	United States	Air Release Valve
3.	4,834,621	United States	Air Throttling Valve for Submerged Pump System
4.	MX920001(A)	Mexico	Valvula Automatica De Liberacion De Aire De Compensacion Atmosferica.