

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
APCI, LLC	11/30/2012
RECEIVING PARTY DATA	
Name:	Stupp Bros., Inc.
Street Address:	3800 Weber Road
City:	St. Louis
State/Country:	MISSOURI
Postal Code:	63125
PROPERTY NUMBERS Total: 12	
Property Type	Number
Patent Number:	8070039
Patent Number:	8181841
Application Number:	13462655
Application Number:	13309054
Application Number:	61630124
Application Number:	61630130
Application Number:	61630146
Application Number:	61630131
Application Number:	61630156
Application Number:	61630129
Application Number:	61630128
Application Number:	61626642
CORRESPONDENCE DATA	
Fax Number:	3176377561
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.	

OP \$480.00 8070039

Phone: 317-634-3456
Email: dsneed@uspatent.com
Correspondent Name: Charles J. Meyer
Address Line 1: 111 Monument Circle, Suite 3700
Address Line 4: Indianapolis, INDIANA 46204

ATTORNEY DOCKET NUMBER:

34359-2

NAME OF SUBMITTER:

Charles J. Meyer

Total Attachments: 8

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THIS AGREEMENT AND ALL OF THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO ARE SUBJECT IN ALL RESPECTS TO THE RIGHTS OF (A) THE HOLDERS OF APCI'S SENIOR DEBT IN FAVOR OF THE INDUSTRIAL REVOLVING FUND OF SOUTH BEND, INDIANA, FIRST SOURCE, SOUTH BEND, INDIANA, TRUSTEE (THE "SENIOR LENDER"), AND (B) THE HOLDERS OF APCI'S JUNIOR DEBT IN FAVOR OF LARRY FARVER REVOCABLE TRUST, RICHARD P. CHATELLIER REVOCABLE TRUST, DAVID E. FOUGHT CHARITABLE REMAINDER UNIT TRUST AND KEUPER FAMILY HOLDINGS, LLC, IF ANY (THE "JUNIOR LENDERS").

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement ("Security Agreement") is made this 30th day of November, 2012, by APCI, LLC having an address of 4143 Technology Drive, South Bend, IN 46628 ("APCI ") in favor of Stupp Bros., Inc. with an address of 3800 Weber Road, St. Louis, MO 63125 (the "Secured Party").

WHEREAS, APCI and the Secured Party have entered into an Promissory Note dated November 29, 2012 in the original principal amount of [REDACTED] (the "Promissory Note"); and, in order to collateralize its obligations under the Promissory Note, APCI is willing to grant to the Secured Party a security interest in the Intellectual Property; and

WHEREAS, the Secured Party is unwilling to enter into the Promissory Note unless APCI grants such security interest;

NOW, THEREFORE, in order to satisfy the concerns of the Secured Party with respect to APCI's ability to fulfill its obligations pursuant to the Promissory Note and in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

Section 1. Grant of Security. APCI hereby grants to the Secured Party a security interest in all of APCI's right, title and interest, whether now owned or hereafter acquired, in and to:

(a) the identified United States (and foreign counterparts thereof) patents, patent applications and disclosures identified on Schedule I attached hereto, as well as all reissues, divisions, continuations, substitutes and extensions thereof, and including the right to recover for all past, present and future infringements thereof (the "Intellectual Property"); and

(b) all proceeds of any of the above received following the effective date of this Security Agreement

(the "Collateral").

Section 2. Security for Obligations. The security interests granted under this Agreement (the "Security Interest") by APCI are solely to secure APCI's obligations pursuant to the Promissory Note (the "Secured Obligations").

Section 3. Collateral Assignment. In connection with the grant of the security interest in the Intellectual Property described above, APCI hereby agrees to deliver to the Secured Party a Collateral Assignment of Intellectual Property ("Collateral Assignment ") attached hereto as Exhibit A that shall become effective only upon the occurrence of a Triggering Event pursuant to Section 7 below. APCI hereby authorizes the Secured Party to record such Collateral Assignment with the United States Patent and Trademark Office (the "PTO") upon the occurrence of a Triggering Event as defined in Section 7 below.

Section 4. Further Assurances.

(a) APCI agrees that from time to time, at the expense of the Secured Party, APCI will promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable, or that the Secured Party may reasonably request, in order to (i) continue, perfect and protect the Security Interest granted or purported to be granted hereby, (ii) perfect the Secured Party's Security Interest and assign to the Secured Party, as security for the satisfaction of the Secured Obligations, all Collateral located in any domestic or foreign jurisdiction, and (iii) enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any part of the Collateral. Without limiting the generality of the foregoing, APCI will execute and file with the appropriate governmental offices, authorities, agencies and regulatory bodies in the United States and any applicable foreign jurisdiction such financing statements, continuation statement, or amendments thereto, as may be necessary or desirable, or as the Secured Party may reasonably request, in order to perfect and preserve the Security Interests granted or purported to be granted hereby.

(b) APCI hereby authorizes the Secured Party to file, where permitted by law, one or more notices or recordings of this Security Interest with the USPTO and/or as Uniform Commercial Code filings in the States in which APCI and/or the Secured Party maintain their respective offices, relative to all or any part of the Collateral without the signature of APCI. A photocopy or other reproduction of this Security Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) APCI will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral as the Secured Party may reasonably request, all in reasonable detail.

(d) APCI shall not do any act or omit any act whereby any of the Collateral may become abandoned. APCI agrees to notify the Secured Party promptly and in writing if it learns or intends that any of the Collateral may become abandoned or of any adverse determination or any development (including without limitation the institution of

any proceeding in the PTO or in the equivalent agencies in any state or foreign jurisdiction, or any court) regarding any material part of the Collateral.

(e) In the event that any of the Collateral as to which APCI has granted the Security Interest hereunder is subject to a claim by any third party with respect to any legal claim, right, title or interest in or to the Collateral, APCI shall defend, indemnify, and hold harmless the Secured Party from such claim of ownership or interest in the Collateral. Any expense incurred in connection with such activities shall be borne by APCI.

(f) APCI and the Secured Party agree that they will promptly correct any defect or error that may be discovered in (i) this Agreement, (ii) any document executed pursuant hereto, or (iii) the execution, acknowledgement or recordation thereof.

Section 5. General Representations and Warranties. APCI represents and warrants that, to its knowledge, with respect to the subject matter of this Security Agreement and the Promissory Note:

(a) It has the unqualified right to enter into this Security Agreement and to perform its terms.

(b) Except for the consent and/or approval of APCI's Senior Lender and Junior Lenders (which has not been obtained), no authorization, consent, approval or other action by, and no notice to or filing with, any governmental authority or regulator body or any other person or entity is required either (i) for the grant by APCI of the Security Interest granted hereby or for the execution, delivery or performance of this Security Agreement by APCI, or (ii) for the perfection of or the exercise by Secured Party of its rights and remedies hereunder.

(c) Except as disclosed to the Secured Party in writing prior to the date of this Agreement, APCI has no knowledge of the existence of any right with respect to the Collateral that would preclude APCI from publishing, distributing, marketing, selling, or using any product currently made by it, being made for it or sold or used by it, imported by it or exported by it, or licensed to the Secured Party, as the case may be, or to use any processes currently used by it, or materially interfere with the ability of APCI or the Secured Party to carry on their respective businesses as currently carried on, and APCI has no knowledge of any claim to the contrary that is likely to be made.

(d) No claim has been made and APCI has no knowledge of any claim that is likely to be made, that the use by APCI or the Secured Party of any Collateral does or may violate the rights of any person or entity.

(e) APCI represents and warrants that the items listed on Schedule I are true, correct and complete as of the effective date of this Security Agreement. APCI further represents and warrants that, with respect to the items listed on Schedule I, it is the sole legal and beneficial owner thereof, free and clear of any liens, security interests (other

than the Security Interest granted herein), options, charges, pledges, assignments (whether conditional or not), or any other encumbrance, and no effective financing statement or other instrument similar in effect covering all or any party of such Collateral is on file in any recording office, except the rights of and/or by (i) APCI's Senior Lender, (ii) APCI's Junior Lenders, if any, and (iii) such as may have been filed in favor of the Secured Party.

Section 6. Transfer and Other Liens. APCI shall not:

(a) sell, assign (by operation of law or otherwise) or otherwise dispose of any of, or grant any option with respect to, the Collateral during the term of the Promissory Note.

(b) create or suffer to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral that would result in rights superior to that granted to the Secured Party; or

(c) take any other action in connection with any of the Collateral that would impair the value of the interest or rights of APCI in the Collateral taken as a whole or that would impair the interest or rights of the Secured Party.

Section 7. Triggering Event. For purposes of this Security Agreement, "Triggering Event" means that APCI is unable or unwilling to satisfactorily fulfill or timely discharge the Secured Obligations, after being given a reasonable time and opportunity to do so.

Section 8. The Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect the interest of the Secured Party in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against other parties or any other rights pertaining to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which such party accords its own similar property.

Section 9. Security Interest Absolute. All rights of the Secured Party in the Security Interest granted hereunder, and each of the Secured Obligations, shall be absolute and unconditional.

Section 10. Amendments. No amendment or waiver of any provision of this Agreement nor consent to any departure by APCI therefrom shall in any event be effective unless the same shall be in writing and signed by the Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 11. Notice. Any notice or other communication required or permitted hereunder shall be in writing and shall be sufficiently given if (a) delivered personally, (b) transmitted by facsimile or email, provided that any notice given by facsimile or email is confirmed by delivery

as provided in clause (a), (c) or (d), (c) through private delivery services (e.g. Federal Express), or (d) sent by Registered or Certified U.S. Mail, postage prepaid, addressed to each applicable party at the address shown above (or to such other address or to the attention of such other person or officer as either party may designate in writing in accordance with this section).

Section 12. Continuing Security Interest; Release of Collateral.

(a) This Agreement shall create a continuing Security Interest in the Collateral and shall (i) remain in full force and effect until terminated in accordance with the provisions of Section 12(c), (ii) be binding upon APCI, its heirs, personal representatives and assigns, provided, however, APCI shall not make any assignment hereof without the prior consent of the Secured Party, and (iii) inure, together with the rights and remedies of the Secured Party hereunder, to the benefit of the Secured Party and its respective successors, transferees and assigns.

(b) APCI shall not sell, lease, transfer or otherwise dispose of any item of Collateral during the term of this Agreement without the prior written consent of the Secured Party to such sale, lease, transfer or other disposition.

(c) Upon the satisfaction and/or release of the Promissory Note or the date on which the Secured Party shall have, through use of the Collateral, recouped the amount due under the Promissory Note plus its reasonable out-of-pocket expenses occasioned by the Triggering Event, the Collateral shall be automatically released from the liens created hereby and this Agreement and all obligations of APCI hereunder shall terminate. Upon such termination of this Agreement, the Secured Party shall reassign and redeliver title to such Collateral then held by or for the Secured Party and execute and deliver to APCI such documents as it shall reasonably request to evidence such termination and reassignment.

Section 13. Severability. The parties hereto intend all provisions of this Agreement to be enforced to the fullest extent permitted by law. Accordingly, should a court of competent jurisdiction determine that the scope of any provision is too broad to be enforced as written, the parties intend that the court should reform the provision to such narrower scope as it determines to be enforceable. If, however, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future law, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision were never a part hereof; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance, except to the extent such remaining provisions constitute obligations of another party to this Agreement corresponding to the unenforceable provision.

Section 14. Governing Law. This Agreement and its interpretation shall be governed by the laws of the State of Missouri (without regard to its conflict of laws rules).

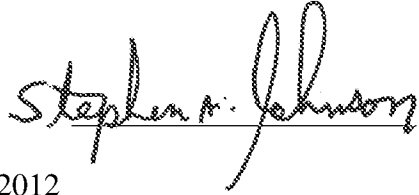
Section 15. Jurisdiction. The parties agree that any claim or dispute hereunder shall be made or brought in the state or federal courts of the State of Missouri and that such courts are convenient forums and the parties hereby submit to the personal jurisdiction of such courts.

Section 16. Secured Party's Rights. The Secured Party shall have the rights and remedies of a secured lender under applicable law, including, but not limited to, the Uniform Commercial Code of Missouri and Indiana.

IN WITNESS WHEREOF, the parties have executed this Agreement, as an instrument under seal, as of the day and year first above written.

APCI, LLC:

Signature:

A handwritten signature in black ink, reading "Stephen R. Johnson", written over a horizontal line.

Date: 11/30/2012

EXHIBIT A

THIS AGREEMENT AND ALL OF THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO ARE SUBJECT IN ALL RESPECTS TO THE RIGHTS OF (A) THE HOLDERS OF APCI'S SENIOR DEBT IN FAVOR OF THE INDUSTRIAL REVOLVING FUND OF SOUTH BEND, INDIANA, FIRST SOURCE, SOUTH BEND, INDIANA, TRUSTEE (THE "SENIOR LENDER"), AND (B) THE HOLDERS OF APCI'S JUNIOR DEBT IN FAVOR OF LARRY FARVER REVOCABLE TRUST, RICHARD P. CHATELLIER REVOCABLE TRUST, DAVID E. FOUGHT CHARITABLE REMAINDER UNIT TRUST AND KEUPER FAMILY HOLDINGS, LLC, IF ANY (THE "JUNIOR LENDERS").

COLLATERAL ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS COLLATERAL ASSIGNMENT OF INTELLECTUAL PROPERTY ("Collateral Assignment") is made as of this November 30, 2012, by APCI, LLC having an address of 4143 Technology Drive, South Bend, IN 46628 ("Assignor ") in favor of Stupp Bros., Inc. with an address of 3800 Weber Road, St. Louis, MO 63125 (the "Secured Party").

WHEREAS, Assignor has entered into an Intellectual Property Security Agreement (the "Security Agreement"), pursuant to which the Assignor has granted to the Secured Party a security interest in certain Intellectual Property in order to secure its obligations under a Promissory Note; and

WHEREAS, the Secured Party desires to acquire the Intellectual Property in connection with the exercise of its remedies following a Triggering Event pursuant to the relevant provisions of the Security Agreement;

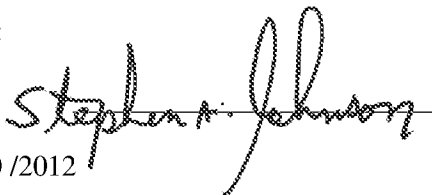
NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby collaterally assign, sell and transfer unto the Secured Party, its successors and permitted assigns, to the fullest extent permitted by law, all of its right, title and interest in and to the Intellectual Property identified on Schedule I and/or in the Security Agreement, together with (i) the goodwill of the business symbolized by and associated with the Intellectual Property, and (ii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Intellectual Property or such associated goodwill.

This Collateral Assignment and its interpretation shall be governed by the laws of the State of Missouri (without regard to its conflict of laws rules).

This Collateral Assignment is intended to and shall take effect as a sealed instrument only upon the occurrence of a Triggering Event, as defined in the Security Agreement.

APCI, LLC:

Signature:



Date: 11/ 30 /2012

Schedule I

COLLATERAL

U.S. Issued Patents

1. Patent Number: US 8,070,039 Issued 12-6-11
2. Patent Number: US 8,181,841 Issued 5-22-12

U.S. Pending Applications

3. Application number: 13/462,655 Linear Friction Welder System and Method, Filed May 2, 2012
4. Application number: 13/309,054 Linear Friction Welder with Helical Groove, Filed December 1, 2011
5. LFW Apparatus (X-Y Motion) Serial Number: 61/630,124, APCI Attorney Ref. No. A11.011
6. LFW Method (Coupon Welds) Serial Number: 61/630,130, APCI Attorney Ref. No. A11.005
7. Repair Method & fixtures. LFW Method (Flash Trap) Serial Number: 61/630,146, APCI Attorney Ref. No. A11.016
8. LFW Method (Form Shaping) Serial Number: 61/630,146, APCI Attorney Ref. No. A11.018
9. LFW Apparatus & Method (Moon Chip) Serial Number: 61/630,131, APCI Attorney Ref. No. A11.006
10. LFW Apparatus & Method (Tube Oscillator) Serial Number: 61/630,156, APCI Attorney Ref. No. A11.002
11. LFW Apparatus & Method (Multi-Blade To Rotor Hub) Serial Number: 61/630,129, APCI Attorney Ref. No. A11.003
12. LFW Apparatus (Dual Head Oscillator) Serial Number: 61/630,128, APCI Attorney Ref. No. A11.004
13. LFW for Continuous Rods Serial Number: 61/626,642 (Abandoned) , APCI Attorney Ref. No. A11.017

Foreign Application

14. PCT/US2011/048785 Linear Friction Welding System with Eccentrics, Filed August 23, 2011

Invention Disclosures

15. Weld Profile: Description: Use of APCI, LFW to create a unique weld profile, APCI Attorney Ref. No. A11.014
16. Zero Load LFW Fixtures: Description: Fixtures eliminate load forces on work pieces. , APCI Attorney Ref. No. A11.012
17. Torque Load Control System: Description: Control System for LFW that monitors torque. , APCI Attorney Ref. No. A11.013