

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT4431083

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Execution Date
MACHINE SOLUTIONS, INC.	04/26/2017

RECEIVING PARTY DATA

Name:	PNC BANK, NATIONAL ASSOCIATION
Street Address:	500 FIRST AVENUE
City:	PITTSBURGH
State/Country:	PENNSYLVANIA
Postal Code:	15219

PROPERTY NUMBERS Total: 22

Property Type	Number
Patent Number:	8667668
Patent Number:	7818861
Patent Number:	8312614
Patent Number:	8776352
Patent Number:	9114036
Patent Number:	6931899
Patent Number:	7069794
Patent Number:	8141226
Patent Number:	7448243
Patent Number:	7415861
Patent Number:	6925847
Patent Number:	6629350
Patent Number:	6968607
Patent Number:	6988881
Patent Number:	8128860
Patent Number:	7407377
Patent Number:	8679398
Patent Number:	8857035
Patent Number:	8484822
Patent Number:	8256087

PATENT

Property Type	Number
Application Number:	14288783
Application Number:	14515166

CORRESPONDENCE DATA

Fax Number: (314)854-8660
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.

Phone: 314-854-8748
Email: met@carmodymacdonald.com
Correspondent Name: MEG THOMAS
Address Line 1: 120 SOUTH CENTRAL AVE.
Address Line 2: SUITE 1800
Address Line 4: ST. LOUIS, MISSOURI 63105

ATTORNEY DOCKET NUMBER:	5625.90
NAME OF SUBMITTER:	MEG THOMAS
SIGNATURE:	/Meg Thomas/
DATE SIGNED:	05/25/2017
	This document serves as an Oath/Declaration (37 CFR 1.63).

Total Attachments: 21
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SECURITY AGREEMENT



THIS SECURITY AGREEMENT (this "Agreement"), dated as of the 26th day of April, 2017, is made by MACHINE SOLUTIONS, INC., an Arizona corporation (the "Grantor"), in favor of PNC BANK, NATIONAL ASSOCIATION (the "Bank").

Under the terms hereof, the Bank desires to obtain and the Grantor desires to grant the Bank security for all of the Obligations (as hereinafter defined).

NOW, THEREFORE, the Grantor and the Bank, intending to be legally bound, hereby agree as follows:

1. Definitions.

(a) "Collateral" shall include all personal property of the Grantor, including the following, all whether now owned or hereafter acquired or arising and wherever located, excluding all Excluded Property: (i) accounts (including health-care-insurance receivables and credit card receivables); (ii) securities entitlements, securities accounts, commodity accounts, commodity contracts and investment property; (iii) deposit accounts; (iv) instruments (including promissory notes); (v) documents (including warehouse receipts); (vi) chattel paper (including electronic chattel paper and tangible chattel paper); (vii) inventory, including raw materials, work in process, or materials used or consumed in Grantor's business, items held for sale or lease or furnished or to be furnished under contracts of service, sale or lease, goods that are returned, reclaimed or repossessed; (viii) goods of every nature, including stock-in-trade, goods on consignment, standing timber that is to be cut and removed under a conveyance or contract for sale, the unborn young of animals, crops grown, growing, or to be grown, manufactured homes, computer programs embedded in such goods and farm products; (ix) equipment, including machinery, vehicles and furniture; (x) fixtures; (xi) agricultural liens; (xii) as-extracted collateral; (xiii) commercial tort claims, if any, described on Exhibit "B" hereto (if an Exhibit "B" is attached); (xiv) letter of credit rights; (xv) general intangibles, of every kind and description, including payment intangibles, software, computer information, source codes, object codes, records and data, all existing and future customer lists, choses in action, claims (including claims for indemnification or breach of warranty), books, records, patents and patent applications, copyrights, trademarks, tradenames, tradestyles, trademark applications, goodwill, blueprints, drawings, designs and plans, trade secrets, contracts, licenses, license agreements, formulae, tax and any other types of refunds, returned and unearned insurance premiums, rights and claims under insurance policies; (xvi) all supporting obligations of all of the foregoing property; (xvii) all property of the Grantor now or hereafter in the Bank's possession or in transit to or from, or under the custody or control of, the Bank or any affiliate thereof; (xviii) all cash and cash equivalents thereof; and (xix) all cash and noncash proceeds (including insurance proceeds) of all of the foregoing property, all products thereof and all additions and accessions thereto, substitutions therefor and replacements thereof. The Collateral shall also include any and all other tangible or intangible property that is described as being part of the Collateral pursuant to one or more Riders to Security Agreement that may be attached hereto or delivered in connection herewith, including the Rider to Security Agreement - Copyrights, the Rider to Security Agreement - Patents, the Rider to Security Agreement - Trademarks and the Rider to Security Agreement - Cash Collateral Account.

"Excluded Property" shall mean, collectively, (i) any trademark applications filed in the United States Patent and Trademark Office ("PTO") on the basis of the Grantor's intent to use such trademark, unless and until a statement of use or amendment to allege use is filed in the PTO, whereupon such trademark shall automatically be deemed included in the Collateral, and (ii) the Capital Securities of any Foreign Subsidiary to the extent they exceed 65% of the total outstanding Capital Securities of such Foreign Subsidiary, (iii) any property which is subject to a purchase money security interest or Capitalized Lease Obligation permitted by the Loan Agreement pursuant to documents which prohibit the Grantor from granting any other Liens in such property, (iv) any Property leased by Grantor (as lessee) under a lease to the extent such lease prohibits the Grantor from granting any Liens on such Property, (v) any payroll accounts, (vi) unless requested in writing to the Grantor by the Bank, any vehicles, and (vii) any rights under or with respect to any General Intangible, contract, software, license, permit, lease, governmental approval, franchise or authorization to the extent any such General Intangible, contract, software, license, permit, lease, governmental approval, franchise or authorization, by its terms or by law, prohibits the assignment of, or the granting of a Lien over the rights of a grantor thereunder or which would terminate such rights or render such rights invalid or unenforceable upon any such assignment or grant (the "Restricted Assets"), to the extent any such restriction, prohibition and/or requirement of consent is effective and enforceable under applicable law and is not rendered ineffective by applicable law (including, without limitation, pursuant to Sections 9 406, 9 407, 9 408 or 9 409 of the UCC), provided that (A) the Proceeds of any Restricted Asset shall continue to be deemed to be "Collateral," (B) this provision shall not limit the grant of any Lien on or assignment of any Restricted Asset to the extent that the UCC or any other applicable law provides that such grant of Lien or assignment is effective irrespective of any prohibitions to such grant provided in any Restricted Asset (or the underlying documents related thereto), and (C) any such rights that at any time ceases to satisfy the criteria for Restricted Assets (whether as a result of the applicable grantor obtaining any necessary consent, any change in any rule of law, statute or regulation, or otherwise) shall become Collateral.

(b) "Credit Agreement" shall mean that certain Loan Agreement dated of even date herewith executed by the Borrowers and the Bank, as the same may be amended, extended, modified, restated, renewed, replaced, consolidated, refinanced, and/or supplemented from time to time. All other capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

(c) "Obligations" shall mean all of the obligations, duties, liabilities, debts and covenants owing by the Grantor of any kind, present or future, to the Bank or any direct or indirect subsidiary of the PNC Bank National Association, arising under the Credit Agreement or Loan Documents.

2. **Grant of Security Interest.** To secure the Obligations, the Grantor, as debtor, hereby assigns and grants to the Bank, as secured party, a continuing lien on and security interest in the Collateral.

3. **Change in Name or Locations.** The Grantor hereby agrees that if the location of the Collateral changes from the locations listed on Schedule 4.12 or 4.13 of the Credit Agreement, or if the Grantor changes its name, its type of organization, its state of organization or establishes a name in which it may do business that is not listed as a tradename on **Exhibit "A"** hereto, the Grantor will promptly notify the Bank in writing of the additions or changes.

4. **General Representations, Warranties and Covenants.** The Grantor represents, warrants and covenants to the Bank that: (a) all information, including its type of organization, jurisdiction of

organization and chief executive office are as set forth on Exhibit "A" hereto and are true and correct on the date hereof; (b) the Grantor has good, marketable and indefeasible title to the Collateral, has not made any prior sale, pledge, encumbrance, assignment or other disposition of any of the Collateral, and the Collateral is free from all encumbrances and rights of setoff of any kind except the lien in favor of the Bank created by this Agreement and other liens consented to in writing by the Bank; and (c) the Grantor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

5. Grantor's Representations, Warranties and Covenants for Certain Collateral. The Grantor represents, warrants and covenants to the Bank as follows:

(a) From time to time and at all reasonable times, the Grantor will allow the Bank, by or through any of its officers, agents, attorneys, or accountants, to examine or inspect the Collateral, and obtain valuations and audits of the Collateral, at the Grantor's expense, wherever located; provided, however, that so long as no Event of Default exists, the Grantor shall not be required to reimburse the Bank for inspections or audits more frequently than once each fiscal year. The Grantor shall do, obtain, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as the Bank may reasonably require to vest in and assure to the Bank its rights hereunder and in or to the Collateral, and the proceeds thereof, including waivers from landlords, warehousemen and mortgagees.

(b) The Grantor will keep the Collateral in good order and repair at all times and immediately notify the Bank of any event causing a material loss or decline in value of the Collateral, whether or not covered by insurance, and the amount of such loss or depreciation.

(c) The Grantor will only use or permit the Collateral to be used in accordance with all applicable federal, state, county and municipal laws and regulations, except where failure to comply would not reasonably be expected to have a Material Adverse Effect.

(d) The Grantor will have and maintain insurance at all times with respect to all Collateral against risks of fire (including so-called extended coverage), theft, sprinkler leakage, and other risks (including risk of flood if any Collateral is maintained at a location in a flood hazard zone) as the Bank may reasonably require, in such form, in such amount, for such period and written by such companies as may be satisfactory to the Bank in its reasonable discretion. Each such casualty insurance policy shall contain a standard Lender's Loss Payable Clause issued in favor of the Bank under which all losses thereunder shall be paid to the Bank as the Bank's interests may appear. Such policies shall expressly provide that the requisite insurance cannot be altered or canceled without at least thirty (30) days (ten (10) days in the case of non-payment of premiums) prior written notice to the Bank and shall insure the Bank notwithstanding the act or neglect of the Grantor. Upon the Bank's demand, the Grantor will furnish the Bank with duplicate original policies of insurance or such other evidence of insurance as the Bank may require. If the Grantor fails to provide insurance as herein required, the Bank may, at its option, obtain such insurance and the Grantor will pay to the Bank, on demand, the cost thereof. While any Event of Default exists, proceeds of insurance may be applied by the Bank to reduce the Obligations or to repair or replace Collateral, all in the Bank's sole discretion. Pursuant to Mo. Rev. Stat. §427.120, the Grantor acknowledges receipt of the following notice, and agrees as follows: **"UNLESS YOU (GRANTOR) PROVIDE EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY YOUR AGREEMENT WITH US (BANK), WE MAY PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTERESTS IN YOUR COLLATERAL. THIS INSURANCE MAY, BUT NEED NOT, PROTECT YOUR INTERESTS. THE COVERAGE THAT WE PURCHASE MAY NOT PAY ANY CLAIM THAT YOU MAKE OR ANY CLAIM THAT IS**

MADE AGAINST YOU IN CONNECTION WITH THE COLLATERAL. YOU MAY LATER CANCEL ANY INSURANCE PURCHASED BY US, BUT ONLY AFTER PROVIDING EVIDENCE THAT YOU HAVE OBTAINED INSURANCE AS REQUIRED BY OUR AGREEMENT. IF WE PURCHASE INSURANCE FOR THE COLLATERAL, YOU WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING THE INSURANCE PREMIUM, INTEREST AND ANY OTHER CHARGES WE MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO YOUR TOTAL OUTSTANDING BALANCE OR OBLIGATION. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE YOU MAY BE ABLE TO OBTAIN ON YOUR OWN."

(e) Each account is genuine and enforceable in accordance with its terms, no Eligible Account will be subject to any claim for credit, allowance or adjustment by any account debtor or any setoff, defense or counterclaim, and the Grantor will defend the same against all claims, demands, setoffs and counterclaims at any time asserted. At the time any account becomes subject to this Agreement, such account will be a good and valid account representing a bona fide sale of goods or services by the Grantor and such goods will have been shipped to the respective account debtors or the services will have been performed for the respective account debtors.

(f) The Grantor agrees that the Bank has the right to notify (on invoices or otherwise) account debtors and other obligors or payors on any Collateral of its assignment to the Bank, and that all payments thereon should be made directly to the Bank.

(g) The Grantor will, on the Bank's demand, make notations on its books and records showing the Bank's security interest and make available to the Bank shipping and delivery receipts evidencing the shipment of the goods that gave rise to an account, completion certificates or other proof of the satisfactory performance of services that gave rise to an account, a copy of the invoice for each account and copies of any written contract or order from which an account arose. The Grantor will promptly notify the Bank if an account becomes evidenced or secured by an instrument or chattel paper and upon the Bank's request, will promptly deliver any such instrument or chattel paper to the Bank, including any letter of credit delivered to the Grantor to support a shipment of inventory by the Grantor. If the Grantor shall at any time hold or acquire any certificated securities, promissory notes, tangible chattel paper, negotiable documents or warehouse receipts relating to the Collateral, upon the Bank's request, the Grantor shall immediately endorse, assign and deliver the same to the Bank, accompanied by such instruments of transfer or assignment duly executed in blank as the Bank may from time to time specify.

(h) The Grantor will promptly advise the Bank whenever an account debtor refuses to retain or returns any goods from the sale of which an account arose and will comply with any instructions that the Bank may give regarding the sale or other disposition of such returns. From time to time with such frequency as the Bank may request, the Grantor will report to the Bank all credits given to account debtors on all accounts.

(i) The Grantor will immediately notify the Bank if any account arises out of contracts with the United States or any department, agency or instrumentality thereof, and will execute any instruments and take any steps required by the Bank so that all monies due and to become due under such contract shall be assigned to the Bank and notice of the assignment given to and acknowledged by the appropriate government agency or authority under the Federal Assignment of Claims Act.

(j) At any time after the occurrence of an Event of Default, and without notice to the Grantor, the Bank may direct any persons who are indebted to the Grantor on any Collateral consisting of accounts or general intangibles to make payment directly to the Bank of the amounts due. The Bank is authorized to collect, compromise, endorse and sell any such Collateral in its own name or in the Grantor's name and to give receipts to such account debtors for any such payments and the account debtors will be protected in making such payments to the Bank. Upon the Bank's written request while any Event of Default exists, the Grantor will establish with the Bank and maintain a lockbox account ("Lockbox") with the Bank and a depository account(s) ("Cash Collateral Account") with the Bank subject to the provisions of this subparagraph and such other related agreements as the Bank may require, and the Grantor shall notify its account debtors to remit payments directly to the Lockbox. Thereafter, funds collected in the Lockbox shall be transferred to the Cash Collateral Account, and funds in the Cash Collateral Account shall be applied by the Bank, daily, to reduce the outstanding Obligations.

6. **Negative Pledge: No Transfer.** Without the Bank's prior written consent, the Grantor will not sell or offer to sell or otherwise transfer or grant or allow the imposition of a lien, security interest or right of setoff upon the Collateral (except for sales of inventory and collections of accounts in the Grantor's ordinary course of business and except for Permitted Liens), will not allow any third party to gain control of all or any part of the Collateral, and will not use any portion of the Collateral in any manner inconsistent with this Agreement or with the terms and conditions of any policy of insurance thereon.

7. **Further Assurances.** By its signature hereon, the Grantor hereby irrevocably authorizes the Bank to file against the Grantor one or more financing, continuation or amendment statements pursuant to the UCC in form satisfactory to the Bank (including but not limited to "all assets" financing statements), and the Grantor will pay the cost of preparing and filing the same in all jurisdictions in which such filing is deemed by the Bank to be necessary or desirable in order to perfect, preserve and protect its security interests. If required by the Bank, the Grantor will execute all documentation necessary for the Bank to obtain and maintain perfection of its security interests in the Collateral. At the Bank's request, the Grantor will execute, in form satisfactory to the Bank, a Rider to Security Agreement - Copyrights (if any Collateral consists of registered or unregistered copyrights), a Rider to Security Agreement - Patents (if any Collateral consists of patents or patent applications), a Rider to Security Agreement - Trademarks (if any Collateral consists of trademarks, tradenames, tradestyles or trademark applications). If any Collateral consists of letter of credit rights, electronic chattel paper, deposit accounts or supporting obligations not maintained with the Bank or one of its affiliates, or any securities entitlement, securities account, commodities account, commodities contract or other investment property, then at the Bank's request the Grantor will execute, and will cause the depository institution or securities intermediary upon whose books and records the ownership interest of the Grantor in such Collateral appears, to execute such pledge agreements, notification and control Agreements or other agreements as the Bank deems necessary in order to perfect, prioritize and protect its security interest in such Collateral, in each case in a form satisfactory to the Bank.

8. **Events of Default.** The Grantor shall, at the Bank's option, be in default under this Agreement upon the happening of any Event of Default (as defined in the Credit Agreement).

9. **Remedies.** Upon the occurrence and during the continuance of any Event of Default, the Bank may declare all Obligations secured hereby immediately due and payable and shall have, in addition to any remedies provided herein or by any applicable law or in equity, all the remedies of a secured party

under the UCC. The Bank's remedies include, but are not limited to, the right to (a) peaceably by its own means or with judicial assistance enter the Grantor's premises and take possession of the Collateral without prior notice to the Grantor or the opportunity for a hearing, (b) render the Collateral unusable, (c) dispose of the Collateral on the Grantor's premises, and (d) require the Grantor to assemble the Collateral and make it available to the Bank at a place designated by the Bank. The Grantor agrees that the Bank has full power and authority to collect, compromise, endorse, sell or otherwise deal with the Collateral in its own name or that of the Grantor at any time upon an Event of Default. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Bank will give the Grantor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of commercially reasonable notice shall be met if such notice is sent to the Grantor at least ten (10) days before the time of the intended sale or disposition. Expenses of retaking, holding, preparing for disposition, disposing or the like shall include the Bank's reasonable attorneys' fees and legal expenses, incurred or expended by the Bank to enforce any payment due it under this Agreement either as against the Grantor, or in the prosecution or defense of any action, or concerning any matter growing out of or connection with the subject matter of this Agreement and the Collateral pledged hereunder. The Grantor waives all relief from all appraisal or exemption laws now in force or hereafter enacted.

10. Power of Attorney. The Grantor does hereby make, constitute and appoint any officer or agent of the Bank as the Grantor's true and lawful attorney-in-fact, with power to (a) endorse the name of the Grantor or any of the Grantor's officers or agents upon any notes, checks, drafts, money orders, or other instruments of payment or Collateral that may come into the Bank's possession in full or part payment of any Obligations; (b) at any time after the occurrence and during the continuance of an Event of Default, sue for, compromise, settle and release all claims and disputes with respect to, the Collateral; and (c) if the Grantor fails to do so upon the demand of the Bank or if an Event of Default has occurred and is continuing, sign, for the Grantor, such documentation required by the UCC, or supplemental intellectual property security agreements; granting to the Grantor's said attorney full power to do any and all things necessary to be done in and about the premises as fully and effectually as the Grantor might or could do. The Grantor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest, and is irrevocable.

11. Payment of Expenses. At its option, if the Grantor fails to do so upon the demand of the Bank or if an Event of Default has occurred and is continuing, the Bank may discharge taxes, liens, security interests or such other encumbrances as may attach to the Collateral, may pay for required insurance on the Collateral and may pay for the maintenance, appraisal or reappraisal, and preservation of the Collateral, as determined by the Bank to be necessary. The Grantor will reimburse the Bank on demand for any payment so made or any expense incurred by the Bank pursuant to the foregoing authorization, and the Collateral also will secure any advances or payments so made or expenses so incurred by the Bank.

12. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and given in accordance with the Credit Agreement.

13. Preservation of Rights. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity.

14. **Illegality.** If any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Agreement.

15. **Changes in Writing.** No modification, amendment or waiver of, or consent to any departure by the Grantor from, any provision of this Agreement will be effective unless made in a writing signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Grantor will entitle the Grantor to any other or further notice or demand in the same, similar or other circumstance.

16. **Entire Agreement.** This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

17. **Counterparts.** This Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

18. **Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the Grantor and the Bank and their respective heirs, executors, administrators, successors and assigns; provided, however, that the Grantor may not assign this Agreement in whole or in part without the Bank's prior written consent and the Bank at any time may assign this Agreement in whole or in part in connection with a permitted assignment by the Bank of the Credit Agreement.

19. **Interpretation.** In this Agreement, unless the Bank and the Grantor otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Agreement; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. Unless otherwise specified in this Agreement, all accounting terms shall be interpreted and all accounting determinations shall be made in accordance with GAAP. If this Agreement is executed by more than one Grantor, the obligations of such persons or entities will be joint and several.

20. **Indemnity.** The Grantor agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the "**Indemnified Parties**"), and to defend and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may

be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Loan Parties, or any of them), in connection with or arising out of or relating to the matters referred to in this Agreement or the Obligations, whether (a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Loan Parties, or any of them, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Agreement, payment of the Obligations and the assignment of any rights hereunder.

21. Governing Law and Jurisdiction. This Agreement has been delivered to and accepted by the Bank and will be deemed to be made in the State of Missouri. **THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MISSOURI.** The Grantor hereby irrevocably consents to the non-exclusive jurisdiction of the Circuit Court of St. Louis County, Missouri or the United States District Court for the Eastern District of Missouri; provided that nothing contained in this Agreement will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Grantor individually, against any security or against any property of the Grantor within any other county, state or other foreign or domestic jurisdiction. The Bank and the Grantor agree that the venue provided above is the most convenient forum for both the Bank and the Grantor. The Grantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

22. WAIVER OF JURY TRIAL. EACH OF THE GRANTOR AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GRANTOR AND THE BANK ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

[Remainder of Page Intentionally Left Blank.]
[Signature Page(s) to Follow.]

**COUNTERPART SIGNATURE PAGE TO
SECURITY AGREEMENT**

The Grantor acknowledges that it has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

IN WITNESS WHEREOF, the Grantor has executed or caused this Agreement to be executed and delivered as of the date first above written.

"GRANTOR"

MACHINE SOLUTIONS, INC.,
an Arizona corporation

By:  _____

Print Name: Ryan L. Gable
Title: Chairman of the Board

EXHIBIT "A"
TO SECURITY AGREEMENT

1. The Grantor's form of organization:
For-profit corporation
2. The Grantor's State of organization, if a registered organization:
Arizona
3. Address of the Grantor's chief executive office, including the County:
2951 W. Shamrell Blvd, Suite 107 (on AZ SOS website)
Flagstaff, AZ 86005 (Coconino County)
4. The Grantor's organizational ID#:
09470557
5. Address for books and records, if different:
6. Other names or tradenames now or formerly used by the Grantor:

SCHEDULE 4.10**Intellectual Property**Issued Patents of MSI

Title	Patent No.	Grant Date	Country/ Region	Current Assignee
STENT SHEATHING TECHNOLOGY	2338440	2013-01-09	Switzerland	Machine Solutions, Inc.
STENT SHEATHING TECHNOLOGY	1807021	2011-05-04	European Patent	Machine Solutions, Inc.
TISSUE PROSTHESIS PROCESSING TECHNOLOGY	5508447	2014-03-28	Japan	Machine Solutions, Inc.
STENT SHEATHING TECHNOLOGY	1807021	2011-05-04	Netherlands	Machine Solutions, Inc.
STENT SHEATHING TECHNOLOGY	8667668	2014-03-11	United States of America	Machine Solutions, Inc.
TISSUE PROSTHESIS PROCESSING TECHNOLOGY	7818861	2010-10-26	United States of America	Machine Solutions, Inc.
TISSUE PROSTHESIS PROCESSING TECHNOLOGY	8312614	2012-11-20	United States of America	Machine Solutions, Inc.
TISSUE PROSTHESIS PROCESSING TECHNOLOGY	8776352	2014-07-15	United States of America	Machine Solutions, Inc.
DEVICE FOR AND METHOD OF LOADING STENTS INTO DELIVERY TUBES	9114036	2015-08-25	United States of America	Machine Solutions, Inc.
SWAGING TECHNOLOGY	6931899	2005-08-23	United States of America	Machine Solutions, Inc.
RADIAL EXPANSION FORCE MEASUREMENT TECHNOLOGY	7069794	2006-07-04	United States of America	Machine Solutions, Inc.
METHOD OF SHEATHING A STENT	8141226	2012-03-27	United States of America	Machine Solutions, Inc.
SWAGING TECHNOLOGY	7448243	2008-11-11	United States of America	Machine Solutions, Inc.
TISSUE PROSTHESIS PROCESSING TECHNOLOGY	7415861	2008-08-26	United States of America	Machine Solutions, Inc.
RADIAL EXPANSION FORCE MEASUREMENT TECHNOLOGY	1703830	2012-04-18	Switzerland	Machine Solutions, Inc.
RADIAL EXPANSION FORCE MEASUREMENT TECHNOLOGY	1703830	2012-04-18	Netherlands	Machine Solutions, Inc.

HAND HELD STENT CRIMPING APPARATUS AND METHOD	6925847	2005-08-09	United States of America	Machine Solutions, Inc.
STENT CRIMPING APPARATUS AND METHOD	6629350	2003-10-07	United States of America	Machine Solutions, Inc.
STENT CRIMPING METHOD	6968607	2005-11-29	United States of America	Machine Solutions, Inc.
BALLOON FOLDING TECHNOLOGY	6988881	2006-01-24	United States of America	Machine Solutions, Inc.
BALLOON FOLDING TECHNOLOGY	8128860	2012-03-06	United States of America	Machine Solutions, Inc.
BALLOON FOLDING TECHNOLOGY	7407377	2008-08-05	United States of America	Machine Solutions, Inc.
BALLOON FOLDING TECHNOLOGY	1372924	2007-08-15	Switzerland	Machine Solutions, Inc.
SWAGING APPARATUS	1545809	2014-06-04	Netherlands	Machine Solutions, Inc.
SWAGING APPARATUS	1545809	2014-06-04	Switzerland	Machine Solutions, Inc.
TISSUE PROSTHESIS PROCESSING TECHNOLOGY	1768630	2015-01-07	Netherlands	Machine Solutions, Inc.
TISSUE PROSTHESIS PROCESSING TECHNOLOGY	1768630	2015-01-07	Switzerland	Machine Solutions, Inc.
BALLOON FOLDING TECHNOLOGY	8679398	2014-03-25	United States of America	Machine Solutions, Inc.
METHOD FOR COLD LOADING AN ARTICLE	8857035	2014-10-14	United States of America	Machine Solutions, Inc.
METHOD FOR COLD LOADING AN ARTICLE	8484822	2013-07-16	United States of America	Machine Solutions, Inc.
METHOD AND APPARATUS FOR COLD LOADING ARTICLES	8256087	2012-09-04	United States of America	Machine Solutions, Inc.

Issued Patents of Vante

U.S. Patent No.	Issue Date	Title	Assignee
8865035	10/21/2014	Method for controlling RF energy applied to molds	Vante, Inc.
8469690	6/25/2013	Apparatus for severing and collecting IV tubing tips	Vante, Inc.
8469688	6/25/2013	RF generator with multiplexed programmed molds	Vante, Inc.
8029712	10/04/2011	Method for collecting IV tubing tips	Vante, Inc.

U.S. Patent No.	Issue Date	Title	Assignee
7744805	6/29/2010	Method for rapidly heating and cooling a mold	Vante, Inc.
7438548	10/21/2008	Apparatus for rapidly heating and cooling a mold	Vante, Inc.
7326897	02/05/2008	Clip on tubing welder	Vante, Inc.
7211776	5/01/2007	Method for unattended sealing of tubing	Vante, Inc.
7151243	12/19/2006	Method for welding material with a clip on welder	Vante, Inc.
7084382	8/01/2006	Clip on welder for plastic material	Vante, Inc.
7026592	4/11/2006	Clip on thermal welder	Vante, Inc.
6696844	2/24/2004	Apparatus and method for real time determination of materials' electrical properties	Vante, Inc.
6013074	1/11/2000	Apparatus and method for thermal ablation	Vante, Inc.

Issued Patents of Steeger

None.

Pending Patent Applications of the MSI

Title	Application No.	Filed Date	Country	Current Owners
SEGMENTAL CRIMPER HAVING INDIVIDUALLY HEATED CRIMPER SEGMENTS AND METHOD OF USING THE SAME	14/288783	2014-05-28	United States of America	Machine Solutions, Inc.
APPARATUS AND METHOD FOR DEFORMING THERMOPLASTICS	14/515166	2014-10-15	United States of America	Machine Solutions, Inc.
SEGMENTAL CRIMPER HAVING INDIVIDUALLY HEATED CRIMPER SEGMENTS AND METHOD OF USING THE SAME	15800401.0	2015-05-27	European Patent	Machine Solutions, Inc.

Pending Patent Applications of Vante

None.

Pending Patent Applications of Steeger

None.

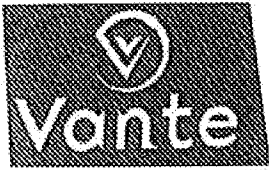
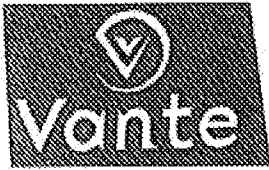
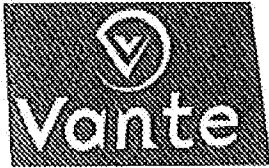
Patents/Patent Applications Acquired by Vante from Haemonetics Corporation




Patent/Application Number	Patent Title	Filing Date	Country
US 5,932,132	Sterile Connector Apparatus and Method	11/19/1997	USA
US 6,784,407	Bench Top Tubing Sealer	8/21/2002	USA
US 8,427,099	Monitor for Charging Series Connected Batteries	9/30/2008	USA
US 8,770,249	Tear-Seal Movable Ground Jaw for a Tubing Sealer	10/18/2007	USA
US Des. 494,608	Model T Tubing Sealer	1/31/2003	USA
US Des. 502,475	Tubing Sealer with Protruding Healing Head	10/28/2003	USA
US Des. 502,476	Bench Mounted Tubing Sealer	10/28/2003	USA
US Des. 550,262	Wide Faceted Slotted Ground Jaw	1/4/2007	USA
US Des. 550,732	Narrow Faceted Slotted Ground Jaw	1/4/2007	USA
US Des. 550,733	Curved Slotted Ground Jaw	1/5/2007	USA
US Des. 550,734	T-Shaped Ground Jaw	1/5/2007	USA






U.S. Federally Registered Trademarks of MSI





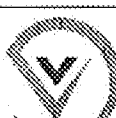
None.

U.S. Federally Registered Trademarks of Vante

U.S. Registration No.	Mark	Goods/ Services and Class	Registration Date
4,154,673		Power tools, namely, electromechanical hand held ... (IC 007)	6/5/2012
4,143,318		Power tools, namely, portable and non-portable hand ... (IC 007)	5/15/2012
4,136,138		Power tools, namely, portable and non-portable (IC 007)	5/1/2012

4,091,805		Radio frequency heated temperature control ... (IC 009)	1/24/2012
4,091,692	Igniting Innovation	Power tools, namely, portable and non-portable ... (IC 007)	1/24/2012
4,091,686	Igniting Innovation	Radio frequency electromechanical instruments ... (IC 009)	1/24/2012
4,088,656		Power tools, namely, electromechanical hand held or ... (IC 007)	1/17/2012
4,064,149	Vante	Power tools, namely, hand held or fixed location ... (IC 007)	11/29/2011
4,060,875	Vante	Power tools, namely, electromechanical hand held ... (IC 007)	11/22/2011
4,060,874	Vante	Power tools, namely, portable and fixed location ... (IC 007) Hand tools for forming, extruding, shaping ... (IC 008)	11/22/2011
4,050,236		Hand tools, namely, hand-operated tools for ... (IC 008) Radio frequency powered portable and fixed location... (IC 009)	11/1/2011
4,050,169	Igniting Innovation	Hand held hand-operated tools for evacuating ... (IC 008); Radio frequency powered portable and fixed location ... (IC 009)	11/1/2011
4,050,168	Igniting Innovation	Power tools, namely, electromechanical ... (IC 007) Radio frequency generator systems for welding (IC 009)	11/1/2011

4,042,897	Vante	Power tools, namely, portable and fixed location ... (IC 007); Radio frequency generators for welding thermoplastic materials (IC 009)	10/18/2011
4,013,714		Maintenance and/or repair of electrical ... (IC 037)	8/16/2011
4,013,713		Distributorship services in the field... (IC 035)	8/16/2011
4,010,215	Igniting Innovation	Distributorships in the field ... (IC 035)	8/9/2011
4,010,212	Igniting Innovation	Maintenance and/or repair of electrical ... (IC 037)	7/26/2011
4,003,693		Radio frequency electromechanical instruments ... (IC 009)	7/26/2011
4,003,509	Vante	Distributorship services in the field.. (IC 035)	7/26/2011
4,003,508	Vante	Maintenance and/or repair of electrical ... (IC 037)	7/26/2011
4,003,507	Vante	Power tools, namely, electromechanical hand tools for welding thermoplastic tubing (IC 007)	7/26/2011
3,999,308	Vante	Power tools, namely, portable and non-portable ... (IC 007)	7/19/2011
3,995,106		Maintenance and/or repair of electrical ... (IC 037)	7/12/2011
3,995,105		Distributorship services in the field ... (IC 035)	7/12/2011
3,994,873	Vante	Radio frequency generator systems for	7/12/2011

		welding ... (IC 009)	
3,994,859		Maintenance and/or repair of electrical... (IC 037)	7/12/2011
3,994,862		Power tools, namely, portable and non- portable (IC 007)	7/12/2011
3,994,860		Radio frequency generator systems for welding ... (IC 009)	7/12/2011
3,991,000		Power tools, namely, portable and non- portable (IC 007)	7/5/2011
3,986,864		Distributorship services in the field... (IC 035)	6/28/2011
1891667	PIRF	Temperature control circuits (IC 009)	4/25/1995
1891830	PIRF	Maintenance and repair services in the field of electrical power supplies ... (IC 037)	4/25/1995
1891678	PIRF	Electrically energized remote heaters (IC 011)	4/25/1995
1891742	PIRF	Molds of plaster, ceramic, high temperature plastic and metal ... (IC 020)	4/25/1995
US 1719384	PIRF	Radio frequency heated temperature control apparatus used to seal ... (IC 009)	9/22/1992

U.S. Federally Registered Trademarks of Steeger

U.S. Registration No.	Mark	Goods/ Services and Class	Registration Date
3,444,857	STEEGER USA		6/5/2012

Foreign Trademark Registrations of MSI

Mark	Registration #	Filing Date	Country
MSI (& design) Class 7	5641145	9/30/2006	China
MSI Class 9	5641195	9/30/2006	China
MSI (& design) Vitruvian Man Class 9	5641144	9/30/2006	China
MSI Class 9	5641196	9/30/2006	China
MSI (& design) Watermark Class 9	5641146	9/30/2006	China

Trademarks Acquired by Vante from Haemonetics Corporation

Trademark Registration or Application Number	Trademarks	Country
US 1,008,346	SEBRA	USA
US 1,742,590	SEBRA	USA
US 2,651,751	Design (Sebra)	USA
US 2,666,045	Design (Sebra)	USA
US 2,666,047	Design (Sebra)	USA
US 2,706,388	Design (Sebra)	USA
FR 1,603,051	SEBRA	France
EU 1,744,374	SEBRA	EU CTM
Unregistered Marks	MINI	
	SEALITE	
	INTEGRA	
	OMNI	
	CLEAN SEAL	
	THERMASURE	
	CRYO-SEAL	
	C-FLEX	
	BLSYS	
	STYLE	
	POCO	
	Design (Sebra) Former US Reg. No. 2,666,046	
	Design (Sebra) Former US Reg. No. 2,715,194	
	Design (Shaker) Former US Reg. No. 2,701,968	

Borrower's Registered Copyrights and Copyright Applications.

None.

Domain Names of MSI

Domain	Registrant
MACHINESOLUTIONS.COM	MSI (Private Registration)
MACHINESOLUTIONS.NET	MSI
MACHINESOLUTIONS.ORG	MSI
BALLOONFOLDING.COM	MSI
BALLOONPLEATING.COM	MSI
BALLOONPLEATINGANDFOLDING.COM	MSI
CATHETERPROCESSING.COM	MSI
COATEDSTENTS.COM	MSI
MACHINE-SOLUTIONS.US	MSI
MACHINESOLUTIONS.US	MSI
MARKERBANDSWAGING.COM	MSI
POLYMERCOATEDSTENTS.COM	MSI
RADIALCOMPRESSION.COM	MSI
SEGMENTALCRIMPING.COM	MSI
STENT-CRIMPING.COM	MSI
STENTCRIMPING.COM	MSI
STENTCRIMPING.US	MSI
PROTOMEDSOLUTIONS.COM	MSI
MSIBUILDTOPRINT.COM	MSI

Domain Names of Vante

Domain Name	Registrant
vante.com	Vante
vanteindia.com	Vante
vantepuertorico.com	Vante
vantebrazil.com	Vante
vanteireland.com	Vante
vanteusa.com	Vante
vanteuk.com	Vante
vantetech.com	Vante
vantesolutions.com	Vante
vantejapan.com	Vante
vantechina.com	Vante
vantebiopharm.com	Vante
vantecorporation.com	Vante

vantegroup.com	Vante
vanteholdings.com	Vante
vantemedical.com	Vante
vantetechnologies.com	Vante
vantepirf.com	Vante
vantesaffire.com	Vante
vanteglobal.com	Vante
vantemedicaltechnologies.com	Vante
vante.info	Vante
vantemexico.com	Vante
vante.co.uk	Vante
vante.mobi	Name: Brent Fausett Org.: Vante
vante.us	Name: Brent Fausett Org.: Vante
vante.biz	Name: Brent Fausett Org.: Vante
vantesales.com	Vante

Domain
Acquired by
Haemonetics

Names
Vante from
Corporation

SEBRA.com

Domain Names of Steeger

Steegerusa.com

Borrower-Owned Computer Software.

Almost all machines built by MSI include MSI's proprietary software, which is licensed to MSI's customers through a quotation/purchase order. MSI's software is stored on a server with other files relevant to each piece of equipment built by MSI. Since the majority of the equipment built by MSI is custom to semi-custom, each software file is unique and cannot be listed in a practical manner.

IP Licenses and Rights of MSI

1. Pursuant to Section 3 of that certain Medical Product Testing Services Agreement, dated November 1, 2008, by and between MSI and Protomed SA ("Protomed"), MSI has a free perpetual license to use any innovation or improvement to certain testing equipment made or suggested by Protomed or any of its customers.
2. Pursuant to that certain License and Development Agreement, dated February 1, 2006, by and between MSI and Farlow's Scientific Glassblowing, Inc. ("FSG"), FSG licenses to MSI the right to further develop, manufacture, lease and sell a certain balloon blowing machine (model BBM 5100) and make use of certain related technical information.
3. Pursuant to Section 8 of that certain Manufacturing and Marketing Agreement, dated March 1, 2010, by and between MSI and Twin Cities Automation, Inc. ("TCA"), TCA grants MSI a nontransferable, limited, revocable and royalty free license to use TCA's name and logo in connection with the marketing and sale of a certain product.

IP Licenses and Rights of Vante

1. Pursuant to Section 6.2 of that certain Exclusive Master Distributor Agreement, undated, by and between ERA (a predecessor by merger to Vante) and Young Science, Young Science grants ERA a non-exclusive, non-transferable, revocable, non-royalty bearing license to use certain of Young Science's trademarks.
2. Pursuant to Section 6.2 of that certain Exclusive Master Distributor Agreement, dated September 1, 2011, by and between ERA and New Age Industries, Inc. ("New Age"), New Age grants ERA a non-exclusive, non-transferable, revocable, non-royalty bearing license to use certain of New Age's trademarks.
3. License agreement executed by and between Haemonetics Corporation and Engineering & Research Associates, Inc., with an effective date of September 4, 2009.

IP Licenses and Rights of Steeger

License Agreement between Auburn University & Steeger for the rights to use and machine development.

Third Party Software Licensed to the Borrower.

All third party software licensed to the Borrower consists of generally commercially available, off-the-shelf software programs.

Liens against the Borrower's Intellectual Property.

Pursuant to that certain Master Agreement for Purchase of Capital Equipment, dated July 27, 2009, by and between MSI and Abbott Vascular, Inc. ("AVI"), with respect to the applicable statements of work issued thereunder, AVI has a security interest in certain equipment that is to be built by MSI for AVI, all dedicated tools, tooling and equipment acquired for manufacture, testing, shipment and installation of such equipment if AVI has paid or will be liable to pay the price thereof; the designs, patents, inventions, copyright and all other intellectual property for such equipment to the extent such intellectual property is or is reasonably expected to become AVI Materials (as defined in the agreement), and proceeds of all of the foregoing. Section 7(b) of such agreement states that MSI shall keep the specified collateral free and clear of any liens or encumbrances except those provided for in such agreement.

Machine Solutions GmbH Intellectual Property

None.

Forsyth MSI Holdings, LLC Intellectual Property

None.

Forsyth MSI Mezzanine, Inc. Intellectual Property

None.