

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT										
<b>NATURE OF CONVEYANCE:</b>	SECURITY AGREEMENT										
<b>CONVEYING PARTY DATA</b>											
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:70%;">Name</th> <th>Execution Date</th> </tr> </thead> <tbody> <tr> <td>NTS Holdings, Inc.</td> <td>08/29/2011</td> </tr> <tr> <td>National Trench Safety, LLC</td> <td>08/29/2011</td> </tr> <tr> <td>NTS Mikedon, LLC</td> <td>08/29/2011</td> </tr> <tr> <td>NTS Manufacturing, LLC</td> <td>08/29/2011</td> </tr> </tbody> </table>		Name	Execution Date	NTS Holdings, Inc.	08/29/2011	National Trench Safety, LLC	08/29/2011	NTS Mikedon, LLC	08/29/2011	NTS Manufacturing, LLC	08/29/2011
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NTS Mikedon, LLC	08/29/2011										
NTS Manufacturing, LLC	08/29/2011										
<b>RECEIVING PARTY DATA</b>											
<b>Name:</b>	Regions Bank										
<b>Street Address:</b>	191 Peachtree Street, N.E.										
<b>Internal Address:</b>	Suite 3800										
<b>City:</b>	Atlanta										
<b>State/Country:</b>	GEORGIA										
<b>Postal Code:</b>	30303										
<b>PROPERTY NUMBERS Total: 3</b>											
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:30%;">Property Type</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Application Number:</td> <td>13012895</td> </tr> <tr> <td>Application Number:</td> <td>13012913</td> </tr> <tr> <td>Application Number:</td> <td>13012926</td> </tr> </tbody> </table>		Property Type	Number	Application Number:	13012895	Application Number:	13012913	Application Number:	13012926		
Property Type	Number										
Application Number:	13012895										
Application Number:	13012913										
Application Number:	13012926										
<b>CORRESPONDENCE DATA</b>											
<b>Fax Number:</b>	(678)533-7772										
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>											
<b>Phone:</b>	404-681-5974										
<b>Email:</b>	mgrove@phrd.com										
<b>Correspondent Name:</b>	Parker, Hudson, Rainer & Dobbs										
<b>Address Line 1:</b>	285 Peachtree Center Ave. N.E.										
<b>Address Line 2:</b>	Mike Grove-15th Floor										
<b>Address Line 4:</b>	Atlanta, GEORGIA 30303										
<b>ATTORNEY DOCKET NUMBER:</b>	3717.157										

**CH \$120.00 13012895**

**501644101**

**PATENT**  
**REEL: 026836 FRAME: 0215**

**NAME OF SUBMITTER:**

Bobbi A. Noland

**Total Attachments: 8**

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## PATENT SECURITY AGREEMENT

This **PATENT SECURITY AGREEMENT** (this "Agreement") is made this 29th day of August, 2011, among **REGIONS BANK**, an Alabama banking corporation having an office at 5001 Spring Valley Road, Suite 153-W, Dallas, Texas 75244 ("Lender"), **NTS HOLDINGS, INC.**, a Delaware corporation ("Holdings"), **NATIONAL TRENCH SAFETY, LLC**, a Delaware limited liability company ("NTS"), **NTS MIKEDON, LLC**, a Delaware limited liability company ("Mikedon"), and **NTS MANUFACTURING, LLC**, a Delaware limited liability company ("Manufacturing"; Holdings, NTS, Mikedon and Manufacturing are hereinafter collectively referred to as "Companies" and each individually as a "Company"), each having its principal place of business at 15955 W. Hardy Rd., Suite 100, Houston, TX 77060.

### Recitals:

Companies desires to obtain loans and other financial accommodations from Lender from time to time pursuant to that certain Amended and Restated Loan and Security Agreement dated on or about the date hereof (as from time to time amended, restated, supplemented or otherwise modified, the "Loan Agreement") by and among Companies and Lender.

A condition to Lender's willingness to make loans or extend other financial accommodations to Companies from time to time under the Loan Agreement is each Company's execution and delivery of this Agreement. To induce Lender to make loans and otherwise extend credit pursuant to the Loan Agreement, each Company has agreed to grant a continuing security interest in and to the Patent Collateral (as hereinafter defined) to Lender as security for the timely payment and performance of the Obligations.

NOW, THEREFORE, for Ten Dollars (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Company hereby agrees with Lender as follows:

1. Each capitalized term used herein (including those used in the Recitals hereto), unless otherwise defined, shall have the meaning ascribed to such term in the Loan Agreement. As used herein, the term "Full Payment" shall mean full and final payment of the Obligations and termination of the Commitments; and the term "UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of Georgia.

2. To secure the prompt payment and performance of all of the Obligations, each Company hereby grants, assigns and pledges to Lender, a continuing security interest in and Lien upon all of the following property of such Company, whether now owned or existing or hereafter created or acquired (the "Patent Collateral"):

(a) the entire right, title and interest of each Company in and to the registered United States patents and United States patent applications listed in Exhibit A attached hereto (as the same may be amended from time to time), and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof, including, without limitation, the right to sue for past, present and future infringements and rights

corresponding thereto throughout the world (all of the foregoing being herein collectively referred to as the "Patents"); and

(b) all proceeds of the foregoing (such as, by way of example, license royalties and proceeds of infringement suits).

3. Each Company covenants with and warrants to Lender that:

(a) As of the Closing Date, the Patents consist of the patent application listed on Exhibit A, and such application has not been adjudged invalid or unenforceable, in whole or in part;

(b) Except as expressly permitted under any Loan Document, such Company is now and shall continue to be the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any Liens other than Permitted Liens;

(c) Such Company has the unqualified right to enter into this Agreement and perform its terms; and

(d) Except as expressly permitted under any Loan Document, such Company has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents and has made, and will continue to make all appropriate filings with the United States Patent and Trademark Office and any applicable foreign filing offices to maintain the Patents in existence, including, without limitation, filing all necessary documents with the United States Patent and Trademark Office for each Patent to maintain it without loss of protection therefor.

4. Except as expressly permitted under any Loan Document, until Full Payment of all of the Obligations, no Company shall enter into any license agreement relating to any of the Patents with any Person except non-exclusive licenses to customers, vendors, suppliers, agents or other service providers of such Company in the regular and ordinary course of such Company's business as presently conducted and for reasonable and customary compensation, and shall not become a party to any agreement with any Person that is inconsistent with such Company's obligations under this Agreement.

5. If, before Full Payment of all of the Obligations, any Company shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of Section 2 shall automatically apply thereto and such Company shall give to Lender prompt notice thereof in writing.

6. Each Company irrevocably authorizes and empowers Lender to modify this Agreement by amending Exhibit A to include any rights patents and patent applications acquired thereby as described in Section 5 hereof.

7. Each Company hereby grants to Lender, and its employees and the right upon prior notice to such Company, the visitation, audit, and inspection rights with respect such Company and the Collateral as set forth in Section 6.5 of the Loan Agreement.

8. At any time that an Event of Default exists, Lender shall have, in addition to all other rights and remedies given it by this Agreement and the other Loan Documents, all rights and remedies of a secured party under the UCC with respect to the Patent Collateral and all other rights and remedies under any other applicable law. Without limiting the generality of the foregoing, Lender may immediately, without demand of performance and without other notice (except as described in the next sentence, if required by applicable law) or demand whatsoever to any Company, each of which each Company hereby expressly waives (to the extent permitted under applicable law), and without advertisement (except as otherwise provided by applicable law), collect directly any payments due such Company in respect of the Patent Collateral, or sell at public or private sale or otherwise realize upon the whole or from time to time any of the Patent Collateral, or any interest that such Company may have therein. Each Company hereby agrees that ten (10) days notice to the Companies of any public or private sale or other disposition of any of the Patent Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by applicable law. At any such sale or disposition, Lender may, to the extent permitted by applicable law, purchase the whole or any part of the Patent Collateral sold, free from any right of redemption on the part of any Company, which right each Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Patent Collateral all reasonable costs and expenses incurred by Lender in enforcing its rights hereunder (including, without limitation, all reasonable attorneys' fees), Lender shall apply the remainder of such proceeds to the payment of the Obligations, in such order or manner as may be authorized or required by the Loan Agreement. Any remainder of the proceeds after Full Payment of all of the Obligations shall be paid over to the Companies. If any deficiency shall arise, each Company and each Guarantor (if any) of the Obligations shall remain jointly and severally liable therefor.

9. Each Company hereby makes, constitutes and appoints Lender, and any officer or agent of Lender as Lender may select, as such Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default with respect to such Company shall exist: to endorse such Company's name on all applications, documents, papers and instruments necessary for Lender to continue the maintenance of or to use the Patents, or to grant or issue any exclusive or nonexclusive license under the Patents to any other Person, or to assign, pledge, convey or otherwise transfer title in or dispose of any Patent Collateral to any other Person. Each Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until Full Payment of all of the Obligations.

10. Any and all reasonable fees, costs and expenses, of whatever kind or nature, (including, without limitation, reasonable out-of-pocket attorneys' fees and legal expenses) incurred by Lender in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in other public offices, the payment or discharge of any taxes, reasonable out-of-pocket counsel fees, maintenance fees or Liens, or otherwise, in

protecting, maintaining and preserving any Patent Collateral or in defending or prosecuting any actions or proceedings arising out of or related to any Patent Collateral, shall be borne and paid by the Companies (it being the intent of each Company and Lender that the Companies shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all maintenance fees payable with respect to the Patents) or, if paid by Lender in its sole discretion, shall be reimbursed by the Companies to Lender **on demand** by Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the per annum interest rate then applicable under the Loan Agreement.

11. Each Company shall use its commercially reasonable efforts to detect any infringers of the Patents whose actions can reasonably be expected to have a Material Adverse Effect and shall notify Lender in writing of material infringements so detected. Each Company shall have the duty to prosecute diligently any patent application for a Patent pending as of the date of this Agreement or thereafter until Full Payment of the Obligations, to make application on unpatented but patentable inventions (subject to such Company's reasonable discretion in the ordinary course of business, or, during the existence of an Event of Default, promptly upon Lender's request), to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to protect each Patent and to do any and all acts that are reasonably deemed necessary or desirable by Lender to preserve and maintain all rights in patent applications for each Patent, unless in each case, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. Any expenses incurred in connection with such an application or proceedings shall be borne by the Companies. No Company shall abandon any pending patent application or Patent, without the prior written consent of Lender, unless such Company has determined that such patent application or Patent is no longer material to the conduct of its business.

12. Notwithstanding anything to the contrary contained in Section 11 hereof Lender shall have the right, at any time that an Event of Default exists, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and any license hereunder, or to defend any suit or counterclaim in its own name to protect any Patents or license hereunder, in either of which events each Company shall at the request of Lender do any and all commercially reasonable and lawful acts (including bringing suit) and execute any and all proper documents required by Lender in aid of such enforcement or defense and Companies shall promptly, upon demand, reimburse and indemnify Lender for all reasonable costs and expenses incurred by Lender in the exercise of its rights under this Section 12.

13. If any Company fails to comply with any of its material obligations hereunder and at the time of such failure or as a result thereof an Event of Default exists, then to the extent permitted by applicable law, Lender may discharge such obligations in such Company's name or in Lender's name, in Lender's sole discretion, but at Companies' expense, and each Company agrees to reimburse Lender in full for all reasonable expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in prosecuting, defending or maintaining the Patents or Lender's interest therein pursuant to this Agreement.

14. No course of dealing between any Company and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under any of the other Loan Documents 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 future exercise thereof or the exercise of any other right, power or privilege.

15. All of Lender's rights and remedies with respect to the Patent Collateral, whether established by this Agreement or any of the other Loan Documents, or by any other agreements or by applicable law, shall be cumulative and may be exercised singularly or concurrently.

16. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable, in whole or in part, in any jurisdiction, the same shall be deemed severed herefrom and shall not in any manner affect such clause or provisions in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

17. This Agreement, together with the other Loan Documents, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements of the parties hereto and understandings, inducements or conditions, whether express or implied, oral or written. This Agreement is subject to modification only by writing signed by all of the parties hereto, except as provided in Section 6 hereof.

18. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of Lender and upon the successors and permitted assigns of each Company. No Company shall assign its rights or delegate its rights or assign its duties hereunder without the prior written consent of Lender.

19. Each Company hereby waives notice of Lender's acceptance hereof.

20. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia.

21. This Agreement may be executed in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one in the same agreement. Any signature delivered by a party by facsimile or electronic transmission shall be deemed to be an original signature hereto.

**22. To the fullest extent permitted by applicable law, each Company and Lender each waives the right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or related to this Agreement or the Patent Collateral.**

[Signatures begin on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal on the day and year first written above.

ATTEST:

Shelly Bangerter  
Shelly Bangerter, Assistant Secretary

[CORPORATE SEAL]

NTS HOLDINGS, INC.

By: Ronald W. Chilton  
Ronald W. Chilton, President

ATTEST:

Shelly Bangerter  
Shelly Bangerter, Secretary

[SEAL]

NATIONAL TRENCH SAFETY, LLC

By: Ronald W. Chilton  
Ronald W. Chilton, President

ATTEST:

Shelly Bangerter  
Shelly Bangerter, Secretary

[SEAL]

NTS MIKEDON, LLC

By: Ronald W. Chilton  
Ronald W. Chilton, President

ATTEST:

Shelly Bangerter  
Shelly Bangerter, Secretary

[SEAL]

NTS MANUFACTURING, LLC

By: Ronald W. Chilton  
Ronald W. Chilton, President

[Signatures continued on following page.]



Accepted in Atlanta, Georgia:

**REGIONS BANK**

By: JoAnn Mustian  
Name: JO ANN MUSTIAN  
Title: EXEC VICE PRES

**EXHIBIT A**

Patents

None.

Patent Applications

<u>Patent Application</u>	<u>Federal Serial Number</u>	<u>Application Date</u>
Safety Rail System and Method for Using Same	13/012,895	January 25, 2011
Ladder Access System and Method for Using Same	13/012,913	January 25, 2011
Fall Arrest System and Method for Using Same	13/012,926	January 25, 2011