**Patent Assignment Cover Sheet**

**SUBMISSION TYPE:** NEW ASSIGNMENT  
**NATURE OF CONVEYANCE:** SECURITY INTEREST

### Conveying Party Data

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<tr>
<th>Name</th>
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<td>APS TECHNOLOGY, INC.</td>
<td>06/02/2014</td>
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### Receiving Party Data

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<th>Postal Code</th>
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<td>RBS CITIZENS, NATIONAL ASSOCIATION</td>
<td>209 CHURCH STREET</td>
<td>NEW HAVEN</td>
<td>CONNECTICUT</td>
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### Property Numbers Total: 34

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**CORRESPONDENCE DATA**

Fax Number: (860)278-2179

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: 860-256-6300

Email: tbrown@roginlaw.com

Correspondent Name: TOMA BROWN

Address Line 1: 185 ASYLUM STREET, 22ND FLOOR

Address Line 2: ROGIN NASSAU LLC

Address Line 4: HARTFORD, CONNECTICUT 06103

**ATTORNEY DOCKET NUMBER:** 13819-21

**NAME OF SUBMITTER:** TOMA BROWN

**SIGNATURE:** /Toma Brown/

**DATE SIGNED:** 06/06/2014

This document serves as an Oath/Declaration (37 CFR 1.63).

Total Attachments: 21

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<td>Oct. 6, 1998</td>
<td>Joining sections of pressurized conduit</td>
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<td>Aug. 3, 1999</td>
<td>Thermoelectric cooling</td>
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<td>Oct. 21, 2003</td>
<td>Method for manufacturing a drill string with internal passage for wires</td>
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<td>Elastomeric joint with interlocking threads</td>
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<td>March 4, 2014</td>
<td>CheckShot</td>
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SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the “Agreement”) is made and entered into as of June 2, 2014 by APS TECHNOLOGY, INC., a corporation organized under the laws of the State of Connecticut (“Borrower”), APS INDUSTRIES, INC., a corporation organized under the laws of the State of Texas, and APST INTERNATIONAL, INC., a corporation organized under the laws of the State of Connecticut (with APS INDUSTRIES, INC. and APST INTERNATIONAL, INC. referred to collectively as “Guarantors”) in favor of RBS CITIZENS, NATIONAL ASSOCIATION, a national banking association, as administrative agent (in such capacity, “Administrative Agent”) for the benefit of the Lenders (as defined below).

BACKGROUND

A. Borrower has entered into a certain Credit Agreement of even date (as amended and otherwise in effect from time to time, the “Credit Agreement”), with the lenders a party thereto (together with such financial institutions as may become lenders from time to time as provided therein, each a “Lender” and individually and collectively, the “Lenders”) and the Administrative Agent (together with the Lenders, each a “Secured Party”, and individually and collectively, the “Secured Parties”);

B. As set forth in the Credit Agreement, Borrower has requested that Lenders, subject to the terms and conditions contained therein, make loans, advances and other extensions of credit to Borrower, which loans include a revolving credit facility in an original principal amount of $65,000,000, which may be increased up to $80,000,000 pursuant to the accordion provisions of the Credit Agreement;

C. Guarantors have each entered into a Guaranty Agreement of even date whereby such Guarantors have guaranteed all obligations of Borrower under the Credit Agreement;

D. It is a condition precedent to the Lenders making any loans, advances and other extensions of credit to Borrower under the Credit Agreement that Borrower and Guarantors execute and deliver to the Administrative Agent a security agreement in the form hereof.

E. Borrower and Guarantors have each agreed to grant security interests in favor of Administrative Agent for the benefit of Lenders as herein provided.

In consideration of any loans, advances, extensions of credit, or other financial accommodations made or to be made by any of the Lenders to Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Borrower and each Guarantor hereby agree as follows:

1. Definitions.

When used herein, the following terms shall have the following meanings:

(a) “Collateral” shall mean those assets of Borrower or any Guarantor described in Schedule A attached hereto and made a part hereof, whether now owned or hereafter acquired.

(b) “Secured Obligations” shall mean all obligations now or hereafter owing by Borrower or any Guarantor under the Credit Agreement and/or the other Loan Documents, whether direct or indirect, absolute or contingent, due or to become due, and any amendments, extensions, renewals or increases thereof, and including without limitation (i) all principal, interest, costs, expenses, fees and obligations owing under any Hedging Agreement, (ii) all commercial credit card indebtedness and other
mercantile obligations of Borrower (iii) all reasonable attorneys’ fees and expenses related to the collection of any of the foregoing, and any other amounts payable by Borrower under this Agreement. “Secured Obligations” as to any Obligor shall expressly exclude the Excluded Hedging Obligations as to such Obligor.

Unless otherwise defined herein, all other capitalized terms shall have the meanings as set forth in the Credit Agreement.

2. **Security Interest In Collateral.** To secure payment and performance of the Secured Obligations when due, whether at stated maturity, by required prepayment, declaration, acceleration, conversion, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 363(a) of the Bankruptcy Code, 11 U.S.C. 362(a)), Borrower and each Guarantor hereby grants to Administrative Agent, a continuing security interest in and general lien upon, and pledges and assigns to Administrative Agent, all of Borrower’s and each Guarantor’s right, title and interest in and to the Collateral, wherever located, whether now owned or hereafter acquired, and all products and proceeds thereof.

3. **Other Actions.** Further to insure the attachment, perfection and first priority of, and the ability of Administrative Agent to enforce, Administrative Agent’s security interest in the Collateral, Borrower and each Guarantor agrees, in each case at Borrower’s and each Guarantor’s expense, to take the following actions:

   (a) **Promissory Notes.** If Borrower or either Guarantor shall at any time hold or acquire any promissory notes with a face amount in excess of $500,000 (or in any amount following the occurrence and during the continuance of an Event of Default), Borrower and each Guarantor shall (i) provide to Administrative Agent a pdf copy of such note and (ii) deliver to Administrative Agent the original note, if Borrower or either Guarantor should receive such original note. Upon Administrative Agent’s request following the occurrence and during the continuance of an Event of Default, Borrower and Guarantors shall endorse, assign and deliver the original note (if available to Borrower or either Guarantor with reasonable effort) to Administrative Agent, accompanied by such instruments of transfer or assignment duly executed in blank as Administrative Agent may from time to time reasonably specify.

   (b) **Investment Property.** If Borrower or either Guarantor shall at any time hold or acquire any marketable Certificated Securities (as defined in Schedule A), Borrower and such Guarantor shall, if requested by Administrative Agent following the occurrence and during the continuance of an Event of Default or as otherwise required under the Credit Agreement, forthwith endorse, assign and deliver the same to Administrative Agent, accompanied by such instruments of transfer or assignment duly executed in blank as Administrative Agent may from time to time specify. With the exception of securities in a Subsidiary of Borrower that are owned by Borrower, if any marketable securities now or hereafter acquired by Borrower or either Guarantor are Uncertificated Securities (as defined in Schedule A) and are issued to Borrower or either Guarantor or its nominee directly by the issuer thereof, Borrower and each Guarantor shall immediately notify Administrative Agent thereof and, at Administrative Agent’s request and option, pursuant to an agreement in form and substance satisfactory to Administrative Agent, cause the issuer to agree to comply, without further consent of Borrower or either Guarantor or such nominee, at any time with instructions of Administrative Agent as to such securities. With the exception of securities in a Subsidiary of Borrower that are owned by Borrower, if any marketable Certificated Securities or Uncertificated Securities, or other investment property now or hereafter acquired by Borrower or either Guarantor are held by Borrower or either Guarantor or its nominee through a securities intermediary or commodity intermediary, Borrower and each Guarantor shall immediately notify Administrative Agent thereof and, if requested by Administrative Agent, pursuant to an agreement in form and substance satisfactory to Administrative Agent, either (i) cause such securities intermediary or commodity intermediary to enter into a control agreement with Administrative Agent pursuant to which it
agrees to comply, in each case without further consent of Borrower or either Guarantor or such nominee, at any time with entitlement orders or other instructions from Administrative Agent to such securities intermediary as to such securities or other investment property, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by Administrative Agent to such commodity or intermediary, or (ii) if such intermediary does not agree to enter into such a control agreement, in the case of financial assets or other investment property held through a securities intermediary, move such financial assets and investment property to an intermediary who will execute a control agreement.

(c) Collateral in the Possession of a Bailee. If any Collateral with a value in excess of $500,000 is at any time in the possession of a bailee, other than for testing, evaluation or manufacturing processing respecting inventory, Borrower and any such Guarantor shall, unless otherwise provided under the Credit Agreement, promptly notify Administrative Agent thereof and, at Administrative Agent’s request and option, shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to Administrative Agent, that the bailee holds such Collateral for the benefit of Administrative Agent and such bailee’s agreement to comply, without further consent of Borrower, at any time with instructions of Administrative Agent as to such Collateral.

(d) Electronic Chattel Paper and Transferable Records. With the exception of promissory notes owing by a customer of Borrower to Borrower, if Borrower or either Guarantor at any time holds or acquires an interest in any electronic chattel paper with a face value in excess of $50,000 or any “transferable record,” as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, Borrower and any such Guarantor shall, unless otherwise provided in the Credit Agreement, promptly notify Administrative Agent thereof and, at the request and option of Administrative Agent, shall take such action as Administrative Agent may request to vest in Administrative Agent control under Section 9-105 of the UCC, of such electronic chattel paper or control under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record.

(e) Commercial Tort Claims. If Borrower or either Guarantor shall at any time hold or acquire a commercial tort claim with a face value in excess of $50,000, Borrower and any such Guarantor shall immediately notify Administrative Agent in a writing signed by Borrower or such Guarantor of the particulars thereof and grant to Administrative Agent in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Security Agreement, with such writing to be in form and substance satisfactory to Administrative Agent.

(f) Other Actions as to any and all Collateral. Borrower and each Guarantor further agree, upon the request of Administrative Agent and at Administrative Agent’s option, to take any and all other actions as Administrative Agent may reasonably determine to be necessary or useful for the attachment, perfection and priority of, and the ability of Administrative Agent to enforce, Administrative Agent’s security interest in any and all of the Collateral, including, without limitation:

(i) executing, delivering and, where appropriate, filing financial statements and amendments relating thereto under the UCC, to the extent, if any, that Borrower’s or either Guarantor’s signature thereon is required therefor;

(ii) causing Administrative Agent’s name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of Administrative Agent to enforce, Administrative Agent’s security interest in such Collateral;
(iii) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Administrative Agent to enforce, Administrative Agent’s security interest in such Collateral;

(iv) obtaining governmental and other third party waivers, consents and approvals as required by the Credit Agreement;

(v) obtaining waivers from mortgagees and landlords as required by the Credit Agreement; and

(vi) taking all actions under any other law, as reasonably determined by Administrative Agent to be applicable in any relevant UCC or other jurisdiction, including any foreign jurisdiction.

4. Representations, Warranties and Covenants. Borrower and each Guarantor makes the following representations, warranties and covenants in favor of Administrative Agent:

(a) (i) The Borrower and each Guarantor has contemporaneously with the execution of the Credit Agreement delivered the Perfection Certificates to Administrative Agent; (ii) Borrower’s and each Guarantor’s exact legal name is that indicated on the Perfection Certificates and on the signature page hereof; (iii) Borrower and each Guarantor are organizations of the type, and is organized in the jurisdiction, set forth in the Perfection Certificates; (iv) the Perfection Certificates accurately set forth such Borrower’s and each Guarantor’s organizational identification number; (v) the Perfection Certificates accurately set forth Borrower’s and each Guarantor’s places of business; (vi) all other information set forth on the Perfection Certificates pertaining to Borrower and each Guarantor is accurate and complete in all material respects; and (vii) that there has been no change in any information provided in the Perfection Certificate(s) since the date on which it was executed by the Borrower and each Guarantor.

(b) Further Assurances. Borrower and each Guarantor shall take all actions reasonably necessary to create, perfect and continue in favor of Administrative Agent a first priority security interest in all of the Collateral (including with respect to after-acquired Collateral that does not automatically become subject to such security interest) including any filings with the United States Patent and Trademark Office and the United States Copyright Office. Administrative Agent may at any time and from time to time file financing statements, continuation statements and amendments thereto that describe the Collateral as all assets of Borrower or words of similar effect and which contain any other information required by Part 5 of Revised Article 9 (“Revised Article 9”) of the Uniform Commercial Code as now or hereafter in effect in the State of Connecticut (the “UCC”) for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment.

(c) Maintenance of Collateral. Borrower and each Guarantor shall maintain the Collateral in a good condition and state of repair, and from time to time shall make all needful and proper repairs, renewals, replacements, betterments and improvements thereto so that Borrower’s and each Guarantor’s business may be properly conducted at all times, and will pay and discharge all taxes, liens and other impositions thereupon, as well as the cost of repairs to, or maintenance of, the same. Neither Borrower nor either Guarantor will permit the Collateral, or any part thereof, to be levied upon under execution, attachment, distraint or other legal process, and will not permit anything to be done that may impair the value thereof or the security interest granted to Administrative Agent by this Agreement.
(d) **Insurance.** Borrower, for itself and on behalf of each Guarantor, will keep the Collateral insured against loss or damage by fire, theft, collision (in the case of motor vehicles) and such other risks as are embraced within the so-called “extended coverage” and “all risk” forms of policy, in amounts not less than 100% of the full insurable value of the Collateral. Such policies shall name Administrative Agent, and its successors or assigns as additional insureds and lender’s loss payees as their interests shall appear. Upon request by Administrative Agent, Borrower, for itself and on behalf of each Guarantor, shall provide Administrative Agent a Lender’s Loss Payable endorsement (or other similar endorsement) issued by the insurance company, which shall be in such form as reasonably required by Administrative Agent. In addition, Borrower, for itself and on behalf of each Guarantor, shall (i) maintain public liability coverage, including products liability coverage and coverage against claims for personal injury and death and (ii) maintain all worker’s compensation, employment or similar insurances as may be required by law. All insurance policies required herein (i) shall provide that they shall not be terminated except upon ten (10) days’ prior written notice to Administrative Agent, and (ii) shall otherwise comply with the insurance requirements set forth in the Credit Agreement. If Borrower or either Guarantor shall fail to provide and pay for such insurance, Administrative Agent may (but shall not be required to) provide and/or pay for the same, at Borrower’s expense. Any such payment by Administrative Agent shall be repayable by Borrower on demand, shall be deemed Secured Obligations and shall be secured by the Collateral and this Agreement.

(f) **Intentionally Left Blank.**

(g) **Control of Collateral.** Neither Borrower nor either Guarantor shall sell, lease, exchange, transfer, encumber or contract to sell any of the Collateral without the prior written consent of Administrative Agent in each instance, other than in compliance with the provisions of Section 10.06 of the Credit Agreement. Borrower or either Guarantor as applicable shall at any time and from time to time take such steps as Administrative Agent may reasonably request for Administrative Agent (a) to obtain an acknowledgement, in form and substance satisfactory to Administrative Agent, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for Administrative Agent (b) to obtain “control” of any investment property, deposit accounts, letter-of-credit rights or electronic chattel paper (as such terms are defined in Revised Article 9 with corresponding provisions in Rev. §§ 9-104, 9-105, 9-106 and 9-107 relating to what constitutes “control” for such items of Collateral), with any agreements establishing control to be in form and substance satisfactory to Administrative Agent, and (c) otherwise to insure the continued perfection and priority of Administrative Agent’s security interest in any of the Collateral and of the preservation of its rights therein.

(h) **Record-keeping and Reporting.** Borrower and each Guarantor shall keep accurate books and records of account in accordance with sound accounting practices, and, at such times as Administrative Agent may request, Borrower and each Guarantor shall furnish Administrative Agent with, or cause a third party maintaining records for Borrower and each Guarantor to furnish Administrative Agent with, full and complete financial and operating statements in the form prescribed by Administrative Agent and in accordance with the Credit Agreement; provided however that nothing in this section shall require or be construed to require any Guarantor to keep or prepare any records, financial statements or operating statements that it does not otherwise keep or prepare in the ordinary course of its business.

(i) **Inspection.** Administrative Agent shall have the right, at Borrower’s expense, at any reasonable time, to inspect Borrower’s and each Guarantor’s books and records and to examine the Collateral, whether in the possession of Borrower or elsewhere.

(j) **Failure to Perform Acts.** Upon failure by Borrower or either Guarantor to perform the acts described above in this Section 4, Administrative Agent is authorized and shall have the option to perform any said acts in a manner reasonably deemed appropriate by Administrative Agent,
without waiving any rights to enforce this Agreement. The expenses of Administrative Agent in exercising this option shall be deemed Secured Obligations and shall be secured by the Collateral and this Agreement and shall be payable by Borrower upon demand of Administrative Agent.

5. Events of Default. An “Event of Default” shall be deemed to have occurred hereunder (upon the occurrence of an Event of Default as defined in the Credit Agreement).

6. Remedies. Upon any Event of Default that is not cured within the applicable grace period, Administrative Agent may thereupon enforce payment of the Secured Obligations and exercise any or all of the rights, powers and remedies possessed by Administrative Agent, including all rights afforded by the UCC and all rights otherwise afforded at law or in equity. Such rights shall include, but are not limited to, the following:

(a) Without notice, demand or legal process of any kind, Administrative Agent may take possession of any or all of the Collateral (in addition to Collateral of which it already has possession), wherever it may be found, whether in the hands of Borrower, either Guarantor, a lessee, or otherwise, and for that purpose may pursue the same wherever it may be found, and may, without the same being deemed to be a breach of the peace, enter into any of Borrower’s or either Guarantor’s premises where any of the Collateral may be or is supposed to be, and search for, take possession of, disable, remove, keep and store any of the Collateral until the same shall be sold or otherwise disposed of, and Administrative Agent shall have the right to store the same in any of Borrower’s or either Guarantor’s premises without cost to Administrative Agent.

(b) Administrative Agent may require Borrower and each Guarantor to assemble all or any part of the Collateral and make it available to Administrative Agent at a place to be designated by Administrative Agent, where the Collateral may remain pending sale or disposition thereof, all at Borrower’s expense.

(c) Administrative Agent shall have the right to notify all account debtors, and all obligors of accounts, contract rights and other rights to payment secured under this Agreement, to make payment to Administrative Agent directly; to enforce collection of such accounts, contract rights and other rights to payment secured under this Agreement; and to sell, transfer, compromise, discharge or extend the whole or any part of such accounts, contract rights and other rights to payment secured under this Agreement. Borrower and each Guarantor shall provide Administrative Agent with full information regarding inventory sold and the proceeds thereof, and a list of all accounts, contract rights and other rights to payment secured under this Agreement, including the names and addresses of the debtors liable therefor. Administrative Agent shall have the right to receive, endorse, assign and/or deliver in Administrative Agent’s name or Borrower’s or either Guarantor’s name any and all checks, drafts and other instruments for the payment of money relating to such accounts, contract rights and other rights to payment secured under this Agreement, and Borrower and each Guarantor hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. Borrower and each Guarantor hereby irrevocably appoints Administrative Agent as Borrower’s and each Guarantor’s attorney-in-fact, coupled with an interest, with power to endorse Borrower’s and each Guarantor’s name upon any notes, acceptances, checks, drafts, money orders or other evidences of payment or Collateral that may come into Administrative Agent’s possession; to sign Borrower’s and each Guarantor’s name on any invoice or bill of lading relating to any of such accounts, contract rights and other rights to payment secured under this Agreement, drafts against customers, assignments and verifications of such accounts, contract rights and other rights to payment secured under this Agreement, and notices to customers; to send verifications of such accounts, contract rights and other rights to payment secured under this Agreement to any customer; to notify the Post Office authorities to change the address for delivery of mail addressed to Borrower or either Guarantor to such address as Administrative Agent may designate; to pay or discharge taxes, liens (whether or not inchoate), security interests or other encumbrances at any time levied or placed on or
threatened against the Collateral (other than such of the foregoing as are permitted hereby); to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; to file any Uniform Commercial Code financing statements, or amendments thereof or continuation statements; and, generally, to do, at Administrative Agent's option and at Borrower's expense, at any time, or from time to time, all acts and things which Administrative Agent deems necessary to insure, protect, preserve and realize upon the Collateral and Administrative Agent's security interest therein. Administrative Agent may, without notice to or consent from Borrower or either Guarantor, sue upon or otherwise collect, extend the time of payment of, or compromise or settle for cash, credit or otherwise upon any terms, any of such accounts, contract rights and other rights to payment secured under this Agreement. Administrative Agent is authorized and empowered to accept the return of the goods represented by any of such accounts, contract rights and other rights to payment secured under this Agreement, without notice to or consent by Borrower or either Guarantor, all without discharging or in any way affecting the Secured Obligations. Administrative Agent does not, by anything herein or in any assignment or otherwise, assume any of Borrower's or either Guarantor's obligations under any contract or agreement assigned to Administrative Agent, and Administrative Agent shall not be responsible in any way for the performance by Borrower or either Guarantor of any of the terms and conditions thereof. Upon request by Administrative Agent, Borrower and each Guarantor will aid Administrative Agent in notifying said debtors to make payment to Administrative Agent, and will give Administrative Agent specific assignments of specified accounts, contract rights and other rights to payment secured under this Agreement, in the manner provided in this Agreement. Borrower and each Guarantor hereby ratifies all that said attorney shall do or cause to be done by virtue hereof, and agrees that neither Administrative Agent nor said attorney shall be liable for any act or omission or any error of judgment or mistake of fact or law in connection with the power herein granted, except to the extent of Administrative Agent's gross negligence or willful misconduct. This power of attorney shall be irrevocable as long as any of the Secured Obligations shall be outstanding.

(d) Administrative Agent may sell, assign, lease or otherwise dispose of the Collateral, or any part thereof, either at public or private sale, in lots or in bulk, for cash or on credit, and upon such other terms as Administrative Agent shall deem acceptable. Unless Collateral which is inventory is perishable or threatens to decline in value or is of a type customarily sold on a recognized market, Administrative Agent will give Borrower and each Guarantor reasonable notice of the time and place of any public sale of any Collateral or of the time after which any private sale or any other intended disposition of any Collateral is to be made, at which private sale Administrative Agent may purchase such Collateral. The requirements of reasonable notice shall be met if such notice is provided in accordance with the notice section of this Agreement at least ten (10) days before the time of the sale or disposition.

All expenses, including legal expenses and attorneys' fees, incurred or paid by Administrative Agent in protecting or enforcing any rights of Administrative Agent hereunder, including expenses incurred by Administrative Agent in taking possession of Collateral, storing and disposing of the same, or collecting the proceeds thereof, and expenses incurred by Administrative Agent in collecting and attempting to collect all accounts, contract rights and other rights to payment secured under this Agreement, and in notifying the debtors liable thereon, shall become a part of the Secured Obligations, shall be payable on demand, and may be recovered by disposition of the Collateral as provided herein. When Collateral is in Administrative Agent's possession by reason of Administrative Agent's pursuit of its remedies herein, the risk of accidental loss or damage remains with Borrower and each Guarantor, and Administrative Agent need not continue, renew or obtain any insurance coverage thereon.

In the event Administrative Agent seeks to take possession of any or all of the Collateral by court process, Borrower and each Guarantor hereby irrevocably waives any bonds and any surety or security relating thereto required by any statute, court rule or otherwise as an incident to such possession, waives any demand for possession prior to the commencement of any suit or action to recover with
respect thereto and waives the right to demand a jury in any action in which Administrative Agent is a party.

7. Waivers.

(a) General. Borrower and each Guarantor hereby waives presentment, demand, protest and notice of dishonor. Borrower also waives the benefit of all valuation, appraisement and exemption laws.

(b) WAIVER OF JURY TRIAL. BORROWER AND EACH GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF ADMINISTRATIVE AGENT RELATING TO THE ENFORCEMENT OF THIS AGREEMENT. BORROWER AND EACH GUARANTOR AGREES THAT IT WILL NOT SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED EXCEPT AS PROHIBITED BY LAW, BORROWER, EACH GUARANTOR, THE ADMINISTRATIVE AGENT, AND EACH LENDER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER AND EACH GUARANTOR CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ADMINISTRATIVE AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT ADMINISTRATIVE AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR ADMINISTRATIVE AGENT AND THE LENDERS TO MAKE THE LOANS SECURED HEREBY.

(c) COMMERCIAL TRANSACTION. BORROWER AND EACH GUARANTOR ACKNOWLEDGES THAT THIS AGREEMENT EVIDENCES A COMMERCIAL TRANSACTION AS THAT TERM IS DEFINED IN CONNECTICUT GENERAL STATUTES SECTION 52-278a(a) AND PURSUANT TO CONNECTICUT GENERAL STATUTES SECTIONS 52-278b AND 52-278f, BORROWER AND EACH GUARANTOR DOES HEREBY WAIVE ITS RIGHTS TO PRIOR NOTICE AND HEARING PRIOR TO THE ISSUANCE BY ADMINISTRATIVE AGENT OF ANY PREJUDGMENT REMEDY, AND BORROWER AND EACH GUARANTOR FURTHER WAIVES ANY RIGHTS AS MAY EXIST UNDER FEDERAL LAWS TO ANY NOTICE AND/OR HEARING PRIOR TO ADMINISTRATIVE AGENT'S OBTAINING AND EXERCISING ANY PREJUDGMENT REMEDY. IN ADDITION, BORROWER AND EACH GUARANTOR FURTHER WAIVES ANY RIGHTS TO REQUEST THAT ADMINISTRATIVE AGENT POST A BOND, WITH OR WITHOUT SECURITY, TO PROTECT BORROWER AND EACH GUARANTOR AGAINST DAMAGES THAT MAY BE CAUSED BY ANY PREJUDGMENT REMEDY SOUGHT OR OBTAINED BY ADMINISTRATIVE AGENT.

8. Term.

(a) This Agreement shall continue in full force and effect as long as (a) any Secured Obligations are owing by Borrower to Administrative Agent or any Lender or (b) Administrative Agent of any Lender has any obligation to extend credit to Borrower.
(b) No termination of this Agreement shall in any way affect or impair the rights and liabilities of the parties hereto relating to any transaction or events prior to such termination date, or to any Collateral in which Administrative Agent has a security interest, and all agreements, warranties and representations of Borrower and each Guarantor shall survive such termination.


(a) Borrower is responsible for all reasonable out-of-pocket expenses of Administrative Agent in connection with the administration and enforcement of this Agreement and the transactions contemplated hereunder, including, but not limited to, attorneys’ fees and expenses.

(b) The rights and remedies of Administrative Agent under this Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which it would otherwise have, and no failure or delay by Administrative Agent in exercising any right shall operate as a waiver of such right, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

(c) This Agreement may not be amended or modified orally, but only by an instrument in writing executed on behalf of Borrower and Administrative Agent.

(d) All the provisions of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns, provided that Borrower may not assign or transfer any of its rights under this Agreement and/or the other Loan Documents without the prior written consent of Administrative Agent.

(e) Any notices, communications and waivers under this Agreement shall be in writing, and shall be (i) delivered in person, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) sent by nationally recognized overnight express carrier, addressed in each case as follows:

To Administrative Agent:  RBS Citizens, National Association
  209 Church Street
  New Haven, CT 06510
  Attention: Anthony Castellon, Senior Vice President
  Telephone No.: (203) 821-2405
  Teletype No.: (203) 821-2476
  anthony.castellon@rbscitizens.com

With a copy to:  Rogin Nassau LLC
  185 Asylum Street, 22nd Floor
  Hartford, CT 06103-3460
  Attention: Steven A. Berman, Esq.
  Telephone No.: (860) 256-6300
  Teletype No.: (860) 278-2179
  sberman@roginlaw.com

To Borrower:  APS Technology, Inc.
  7 Laser Lane
  Wallingford, CT 06482
  Attention: William E. Turner, President
  Telephone No.: (860) 613-4450
  wet@aps-tech.com
With a copy to: APS Technology, Inc.
7 Laser Lane
Wallingford, CT 06432
Attention: Christopher Abbamonte, CFO
Telephone No.: (860) 613-4450
cabbamonte@aps-tech.com

To Guarantors: APS Industries, Inc.
7 Laser Lane
Wallingford, CT 06432
Attention: William E. Turner, President
Telephone No.: (860) 613-4450
wet@aps-tech.com

With a copy to: APS Technology, Inc.
7 Laser Lane
Wallingford, CT 06432
Attention: Christopher Abbamonte, CFO
Telephone No.: (860) 613-4450
cabbamonte@aps-tech.com

APST International, Inc.
7 Laser Lane
Wallingford, CT 06432
Attention: William E. Turner, President
Telephone No.: (860) 613-4450
wet@aps-tech.com

With a copy to: APS Technology, Inc.
7 Laser Lane
Wallingford, CT 06432
Attention: Christopher Abbamonte, CFO
Telephone No.: (860) 613-4450
cabbamonte@aps-tech.com

or to any other address as to any of the parties hereto shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this Section shall be deemed received upon actual delivery or refusal to accept delivery if (A) delivered by hand, (B) delivered by overnight courier service, or (C) if sent by registered or certified mail.

(f) All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the substantive law of the State of Connecticut, and not the conflicts laws thereof.

(g) Any claim involving any disputed matter arising under this Agreement may only be brought in the United States District Court for the District of Connecticut or any Connecticut state
court having proper jurisdiction thereof. To the fullest extent permitted by law, Borrower hereby consents to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

(h) If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby; provided that the invalid or unenforceable provisions are not material to the overall purposes or operation of the Agreement, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(i) The obligations of each Borrower and Guarantors hereunder shall be joint and several.

(j) The failure of Administrative Agent to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms, nor shall it prevent Administrative Agent from insisting upon strict compliance with this Agreement or any other Loan Document at any time thereafter.

10. Interpretation.

(a) Words importing the singular number mean and include the plural number and vice versa. The use of the masculine gender shall be extended to include the feminine or neuter gender, the use of the feminine gender shall be extended to include the masculine or neuter gender, and the use of the neuter gender shall be extended to include the feminine or masculine gender.

(b) Any headings preceding the texts of the several sections of this Agreement shall be solely for convenience of reference and shall not affect its meaning, construction or effect.

(c) Words such as “hereunder,” “hereto,” “hereof” and “herein” and other words of similar import shall, unless the context requires otherwise, refer to the whole of this Agreement and not to any particular article, section, subsection, paragraph or clause hereof.

(d) A reference to “including” means including without limiting the generality of any description preceding such term.

(e) Any reference to any statute, law or regulation includes all statutes, laws or regulations amending, consolidating or replacing the same from time to time, and a reference to a law or statute includes all regulations, codes or other rules issued or otherwise applicable under such law or statute unless otherwise expressly provided in such law or statute or in this Agreement. This rule of interpretation shall be applicable in all cases notwithstanding that in some cases specific references in this Agreement render the application of this rule unnecessary.

(f) No rules of construction against the drafter of this Agreement shall apply in any interpretation or enforcement of this Agreement.

[The next page is the signature page]
SIGNATURE PAGE TO SECURITY AGREEMENT

IN WITNESS WHEREOF, Borrower, Guarantors and Administrative Agent have caused this Security Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first above written.

APS TECHNOLOGY, INC.

By: ________________________________
Name: William E. Turner
Title: President and Chief Executive Officer

APS INDUSTRIES, INC.

By: ________________________________
Name: William E. Turner
Title: President

APST INTERNATIONAL, INC.

By: ________________________________
Name: William E. Turner
Title: President

RBS CITIZENS, NATIONAL ASSOCIATION,
as Administrative Agent

By: ________________________________
Name: Anthony Castellon
Title: Senior Vice President
SIGNATURE PAGE TO SECURITY AGREEMENT

IN WITNESS WHEREOF, Borrower, Guarantors and Administrative Agent have caused this Security Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first above written.

APS TECHNOLOGY, INC.

By: ______________________________________
Name: William E. Turner
Title: President and Chief Executive Officer

APS INDUSTRIES, INC.

By: ______________________________________
Name: William E. Turner
Title: President

APST INTERNATIONAL, INC.

By: ______________________________________
Name: William E. Turner
Title: President

RBS CITIZENS, NATIONAL ASSOCIATION,
as Administrative Agent

By: ______________________________________
Name: Anthony Castellon
Title: Senior Vice President
SCHEDULE A

Collateral

(Capitalized terms herein shall have the meaning ascribed to such terms in the Connecticut Uniform Commercial Code, as amended from time to time)

All of Borrower’s and each Guarantor’s now owned or hereafter acquired assets, including without limitation all:

(i) Accounts;
(ii) Certificated Securities*;
(iii) Chattel Paper;
(iv) computer hardware and Software and all rights with respect thereto, including without limitation, all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;
(v) Contract Rights;
(vi) Deposit Accounts;
(vii) Documents;
(viii) Equipment;
(ix) Financial Assets;
(x) Fixtures;
(xi) General Intangibles, including without limitation Payment Intangibles and Software;
(xii) Goods (including without limitation all of its Equipment, Fixtures and Inventory), and all accessions, additions, attachments, improvements, substitutions and replacements;
(xiii) Health-Care-Insurance Receivables;
(xiv) Instruments;
(xv) Intellectual property;
(xvi) Inventory;
(xvii) Investment Property*;
(xviii) money (of every jurisdiction whatsoever);
(xix) Letter of Credit Rights;
(xx) Payment Intangibles;
(xi) Security Entitlements*;
(xii) Software;
(xiii) Supporting Obligations;
(xxiv) Uncertificated Securities*;
(xv) Goodwill; and
(xvi) To the extent not included in the foregoing, all other personal property of any kind or description;

together with books, records, writings, data bases, information and other property relating to, used and useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all Proceeds and products of and from any of the foregoing.

PATENT
REEL: 033101 FRAME: 0816
*For the avoidance of doubt, any reference to Investment Property and/or securities in this Agreement is limited to marketable securities owned or otherwise held by Borrower or either Guarantor in third Persons other than Borrower’s Subsidiaries and affiliates and does not include any Securities issued by Borrower or either Guarantor that are held by third Persons.