

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Earth Tool Company LLC	05/31/2006

RECEIVING PARTY DATA

Name:	MFC Capital Funding, Inc.
Street Address:	111 South Wacker Drive
Internal Address:	Suite 5050
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60606

PROPERTY NUMBERS Total: 47

Property Type	Number
Patent Number:	4808024
Patent Number:	5025868
Patent Number:	5337837
Patent Number:	5465797
Patent Number:	5505270
Patent Number:	5440797
Patent Number:	5603383
Patent Number:	5782311
Patent Number:	6269889
Patent Number:	6299382
Patent Number:	6283229
Patent Number:	6171026
Patent Number:	6263983
Patent Number:	6148935

PATENT

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OP \$1880.00 4808024

Patent Number:	6439319
Patent Number:	6371223
Patent Number:	6390087
Patent Number:	6260634
Patent Number:	6302410
Patent Number:	6273201
Patent Number:	6321858
Patent Number:	6422782
Patent Number:	6470979
Patent Number:	6533052
Patent Number:	6450269
Patent Number:	6568488
Patent Number:	6581680
Patent Number:	6761507
Patent Number:	6655874
Patent Number:	6792820
Patent Number:	6516899
Patent Number:	6390207
Patent Number:	6789635
Patent Number:	6588515
Patent Number:	6755593
Patent Number:	6860514
Patent Number:	6913091
Patent Number:	6953095
Patent Number:	7028785
Application Number:	10327601
Application Number:	10666592
Application Number:	10837098
Application Number:	10916117
Application Number:	10984579
Application Number:	10997837
Application Number:	11117655
Application Number:	10352267

CORRESPONDENCE DATA

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ATTORNEY DOCKET NUMBER:

5807.011

NAME OF SUBMITTER:

Nancy Brougher

Total Attachments: 11

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PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (the "Agreement") made as of this 31st day of May, 2006 by EARTH TOOL COMPANY LLC, a Wisconsin limited liability company ("Grantor"), in favor of MFC CAPITAL FUNDING, INC., a Minnesota corporation ("Grantee"):

W I T N E S S E T H

WHEREAS, Grantor and Grantee are parties to a certain Credit Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Credit Agreement"), providing for extensions of credit to be made to Grantor by Grantee; and

WHEREAS, pursuant to the terms of a certain Security Agreement of even date herewith by and between Grantor and Grantee (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), Grantor has granted to Grantee a security interest in substantially all of the assets of Grantor including all right title and interest of Grantor in, to and under all now owned and hereafter acquired or arising (a) patents and patent applications and the inventions and improvements described and claimed therein, and patentable inventions; (b) the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing, under licenses of the foregoing, or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world (collectively, "Patents") and all products and proceeds thereof, to secure the payment of all amounts owing by Grantor under the Credit Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Incorporation of Credit Agreement and Security Agreement. The Credit Agreement and the Security Agreement and the respective terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Credit Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, Grantor hereby grants to Grantee and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Patent Collateral"), whether now owned or existing and hereafter acquired or arising:

(i) each Patent and application for Patent listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof; and

(ii) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Patent.

3. Restrictions on Future Agreements. Grantor agrees that until Grantor's Liabilities shall have been satisfied in full and the Credit Agreement shall have been terminated, Grantor shall not, without the prior written consent of Grantee, sell or assign its interest in, or grant any license under, any Patent or enter into any other agreement with respect to any Patent, and Grantor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Grantee under this Agreement; provided, however, that, to the extent otherwise permitted under the Credit Agreement, Grantor may sell or assign its interest in any Patent or abandon any Patent which, in the good faith business judgment of Grantor, is not necessary or useful to the conduct of Grantor's business without the consent of Grantee so long as no Default has occurred and is continuing.

4. New Patents. If, before Grantor's Liabilities shall have been satisfied in full or before the Credit Agreement has been terminated, Grantor shall (i) become aware of any existing Patents of which Grantor has not previously informed Grantee, (ii) obtain rights to any new patentable inventions or Patents, or (iii) become entitled to the benefit of any Patents, which benefit is not in existence on the date hereof, the provisions of this Agreement above shall automatically apply thereto and Grantor shall give to Grantee prompt written notice thereof. Grantor hereby authorizes Grantee to modify this Agreement by amending Schedule 1 to include any such Patents.

5. Duties of Grantor. Grantor shall (i) prosecute diligently any and all patent applications pending as of the date hereof or hereafter for Patents which are necessary or useful, in Grantor's good faith business judgment, in the conduct of Grantor's business, (ii) make application on unpatented but patentable inventions, as reasonably deemed appropriate by Grantor, (iii) ensure that the Patents which are necessary or useful, in Grantor's good faith business judgment, in the conduct of Grantor's business are and remain enforceable.


6. Cumulative Remedies; Power of Attorney. Grantee hereby acknowledges and affirms that the rights and remedies with respect to the Patents, whether established by the Credit Agreement, Security Agreement or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. In addition to the other rights and remedies with respect to the Patents provided for hereunder, Grantor hereby grants to Grantee a license to all Patents owned or used by Grantor solely to the extent necessary to enable Grantee, effective upon the occurrence of any Default, to realize on the Collateral and any successor or assign to enjoy the benefits of the Collateral. This license right shall inure to the benefit of the Grantee and its successors, assigns and transferees, whether by voluntary conveyance, operation of law, assignment, transfer, foreclosure, deed

in lieu of foreclosure or otherwise. Such license right is granted free of charge, without requirement that any monetary payment whatsoever including, without limitation, any royalty or license fee, be made to the Grantor or any other Person by Grantee or any other Person..

[signature page follows]

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

EARTH TOOL COMPANY LLC, a Wisconsin
limited liability company

By: 
Name: Eric R. Menke
Title: President

Agreed and Accepted
As of the Date First Written Above

MFC CAPITAL FUNDING, INC., a Minnesota
corporation

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

EARTH TOOL COMPANY LLC, a Wisconsin
limited liability company

By: _____
Name: _____
Title: _____

Agreed and Accepted
As of the Date First Written Above

MFC CAPITAL FUNDING, INC., a Minnesota
corporation

By: Daniel J. Weiss
Name: Daniel J. Weiss
Title: Director

Patent Security Agreement

Schedule 1

Patents

PGM File #	Country	Topic Description	Inventor	Filing Date	Serial No.	Status
117798-0101	U.S.	METHOD FOR INSTALLING A PAVEMENT UNDERDRAIN	Haas	3/30/87	07/032,208	Patent No. 4,808,024 Issued 02/28/89
117798-0102	U.S.	PNEUMATIC GROUND PIERCING TOOL (Hammerhead Mole)	Wentworth, Crane, Haas	11/13/89	07/435,953	Patent No. 5,025,868 Issued 06/25/91
117798-0110	U.S.	DUAL-DIAMETER PNEUMATIC GROUND PIERCING TOOL	Wentworth, Crane, Haas, Reynolds	6/17/93	08/079,095	Patent No. 5,337,837 Issued 08/16/94
117798-0114	U.S.	PNEUMATIC GROUND PIERCING TOOL WITH DETACHABLE HEAD (front end clamp load detachable head)	Wentworth, Crane, Haas Reynolds	2/22/94	08/199,397	Patent No. 5,465,797 Issued 11/14/95
117798-0119	U.S.	REVERSIBLE PNEUMATIC GROUND PIERCING TOOL (Three hose Hammerhead Mole)	Wentworth	10/19/94	08/325,689	Patent No. 5,505,270 Issued 04/09/96
117798-0120	U.S.	METHOD FOR MAKING A PNEUMATIC GROUND PIERCING TOOL (swaging or force-forming tool body)	Wentworth	9/29/94	08/315,235	Patent No. 5,440,797 Issued 08/15/95
117798-0131	U.S.	REVERSIBLE PNEUMATIC GROUND PIERCING TOOL (1/4 turn reverse)	Wentworth, Crane, Randa	9/25/95	08/533,323	Patent No. 5,603,383 Issued 02/18/97
117798-0134	U.S.	METHOD AND APPARATUS FOR INSTALLATION OF UNDERGROUND PIPES (Rotary impactor)	Wentworth	1/3/97	08/778,456	Patent No. 5,782,311 Issued 07/21/98
117798-0135	U.S.	GROUND PIERCING TOOL WITH PLASTIC BODY (plastic body tool)	Wentworth	10/25/97	08/957,803	Patent No. 6,269,889 Issued 08/07/01

117798-0139	U.S.	CIP 133 APPARATUS FOR REMOVING AN EXPANDER FROM A BORING TOOL (manhole method)	Wentworth	9/20/96	08/709,981	Patent No. 6,299,382 Issued 10/09/01
117798-0148	U.S.	IMPACT DEVICE FOR DIRECTIONAL BORING (Snapper)	Wentworth, Crane	2/17/98	09/024,834	Patent No. 6,283,229 Issued 09/04/01
117798-0154	U.S.	METHOD AND APPARATUS FOR REPLACEMENT OF PIPELINES (Wedge cable splitter)	Wentworth	7/23/98	09/121,418	Patent No. 6,171,026 Issued 01/09/01
117798-0156	U.S.	APPARATUS FOR DIRECTIONAL DRILLING (front end Splinelok I)	Wentworth, Crane	8/12/99	09/373,395	Patent No. 6,263,983 Issued 7/24/01
117798-0157	U.S.	JOINT FOR USE IN A DIRECTIONAL BORING APPARATUS (Splineok I)	Wentworth, Crane	12/15/98	09/212,042	Patent No. 6,148,935 Issued 11/21/00
117798-0164	U.S.	REG 155 METHOD AND APPARATUS FOR DIRECTIONAL BORING UNDER MIXED CONDITIONS (Rockfite)	Wentworth, Runquist, Van Houwelingen	3/3/00	09/517,967	Patent No. 6,439,319 Issued 08/27/02 – JOINTLY OWNED WITH VERMEER MANUFACTURING COMPANY
117798-0165	U.S.	REG 163 DRILL HEAD FOR DIRECTIONAL BORING (Rockfite)	Wentworth, Crane	3/2/00	09/517,688	Patent No. 6,371,223 Issued 04/16/02
117798-0177	U.S.	DRILL BIT FOR DIRECTIONAL DRILLING (Trihawk I bit - canted teeth)	Wentworth, Crane	8/12/99	09/373,121	Patent No. 6,390,087 Issued 05/21/02
117798-0178	U.S.	REG 152 SONDE HOUSING FOR DIRECTIONAL DRILLING (sonde housing)	Wentworth, Crane	8/12/99	09/373,254	Patent No. 6,260,634 Issued 07/17/01
117798-0185	U.S.	ROD GRIPPING JAW	Wentworth, Crane	10/22/99	09/425,573	Patent No. 6,302,410 Issued 10/16/01
117798-0187	U.S.	PNEUMATIC GROUND PIERCING TOOL WITH MOVABLE CHISEL HEAD (Active Head)	Wentworth, Crane, Randa	2/16/00	09/505,640	Patent No. 6,273,201 Issued 08/14/01
117798-0190	U.S.	BIT FOR DIRECTIONAL DRILLING (Tricon bit)	Wentworth, Crane	1/28/00	09/493,641	Patent No. 6,321,858 Issued 11/27/01
117798-0192	U.S.	APPARATUS FOR MOUNTING AN ELECTRONIC DEVICE FOR USE IN DIRECTIONAL DRILLING (SPLINELOK II)	Wentworth	12/16/99	09/465,479	Patent No. 6,422,782 Issued 07/23/02
117798-0193	U.S.	REG 176 IMPROVED SONDE HOUSING STRUCTURE (end load sonde)	Wentworth, Crane	7/14/00	09/616,177	Patent No. 6,470,979 Issued 10/29/02

PATENT

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117798-0209	U.S.	REG 229 IMPROVED DRILL BIT FOR IMPACT ASSISTED DIRECTIONAL DRILLING (AS4 roundbit) METHOD AND BIT FOR HORIZONTAL DIRECTIONAL DRILLING (AS AMENDED) (Trihawk III)	Wentworth, Crane, Randa, Smith, Runquist	1/22/01	09/767,106	Patent No. 6,533,052 Issued 03/18/03 – JOINTLY OWNED WITH VERMEER MANUFACTURING COMPANY
117798-0210	U.S.		Caraway	9/7/00	09/657,353	Patent No. 6,450,269 Issued 09/17/2002
117798-0243	U.S.	ROLLER PIPE BURSTER	Wentworth, Crane, Hau	6/13/01	09/880,270	Patent No. 6,568,488 Issued 05/27/03
117798-0245	U.S.	DIV 192 APPARATUS FOR MOUNTING AN ELECTRONIC DEVICE FOR USE IN DIRECTIONAL DRILLING (SPLINELOK II)	Wentworth	1/29/02	10/061,068	Patent No. 6,581,680 Issued 06/24/03
117798-0246	U.S.	METHOD AND APPARATUS FOR REPLACEMENT OF UNDERGROUND PIPE (PULTRON)	Randa, Wentworth	9/4/01	09/946,081	Patent No. 6,761,507 Issued 07/13/04
117798-0251	U.S.	METHOD AND APPARATUS FOR SLITTING FLEXIBLE PIPE IN AN UNDERGROUND BORE (shoring ring)	Crane, Wentworth	4/20/01	09/839,255	Patent No. 6,655,874 Issued 12/02/03
117798-0256	U.S.	REG 247 METHOD AND ACCESSORIES FOR PIPE REPLACEMENT	Reynolds, Wentworth	3/29/02	10/113,815	Patent No. 6,792,820 Issued 09/21/04
117798-0259	U.S.	DIV 164 METHOD AND APPARATUS FOR DIRECTIONAL BORING UNDER MIXED CONDITIONS (Rockfire)	Wentworth, Runquist, Van Houwelingen	9/20/01	09/957,411	Patent No. 6,516,899 Issued 02/11/03 – JOINTLY OWNED WITH VERMEER MANUFACTURING COMPANY
117798-0260	U.S.	DIV 164 METHOD AND APPARATUS FOR DIRECTIONAL BORING UNDER MIXED CONDITIONS (Rockfire)	Wentworth, Runquist, Van Houwelingen	9/20/01	09/957,412	Patent No. 6,390,207 Issued 05/21/02 – JOINTLY OWNED WITH VERMEER MANUFACTURING COMPANY
117798-0264	U.S.	REG 257 DRILL BIT FOR DIRECTIONAL DRILLING IN COBBLE FORMATIONS (Trihawk V)	Crane, Wentworth, Caraway	6/18/02	10/173,995	Patent No. 6,789,635 Issued 09/14/04
117798-0268	U.S.	CON 177 DRILL BIT FOR DIRECTIONAL DRILLING (Trihawk Canted Teeth)	Wentworth, Crane	10/26/01	10/015,089	Patent No. 6,588,515 Issued 07/08/03
117798-0275	U.S.	REG 223 PIPE REPLACEMENT METHOD AND ROTARY IMPACT MECHANISM FOR PIPE BURSTING (RI) Tri-roller pipe burster	Wentworth, Crane, Hau	1/22/02	10/054,666	Patent No. 6,755,593 Issued 06/29/04

117798-0291	U.S.	REG 270 IMPROVED DRILL STRING JOINT	Randa, Crane, Wentworth,	1/14/03	10/342,141	Patent No. 6,860,514 Issued 03/01/05
117798-0292	U.S.	REG 273 METHOD AND APPARATUS FOR REPLACEMENT OF UNDERGROUND PIPE (RELATED TO '246)	Wentworth, Randa, Crane	1/14/03	10/342,137	Patent No. 6,913,091 Issued 07/05/05
117798-0329	U.S.	REG 302 METHOD FOR OPERATING A REVERSIBLE PNEUMATIC GROUND PIERCING TOOL	Randa	7/7/05	11/031,923	Patent No. 6,953,095 Issued 10/11/05
117798-0337	U.S.	CON 306 PNEUMATIC IMPACT PIERCING TOOL ("TAIL BOLT IMPROVEMENTS")	Randa	8/1/05	11/194,232	Patent No.: 7,028,785 Issued 04/18/06

Patent Applications

PGM File #	Country	Topic Description	Inventor	Filing Date	Serial No.	Status
117798-0290	U.S.	REG 267 METHOD AND APPARATUS FOR ON GRADE BORING	Wentworth, Crane, Randa	12/20/02	10/327,601	Pending
117798-0295	U.S.	WINCH WITH TELESCOPING MAST	Wentworth, Hau	9/19/03	10/666,592	Pending
117798-0305	U.S.	CIP 319 ROD PUSHING AND PULLING MACHINE	Wentworth, Crane	4/20/06	11/407,679	Pending
117798-0314	U.S.	DIV 246 METHOD AND APPARATUS FOR REPLACEMENT OF UNDERGROUND PIPE	Randa, Wentworth	6/8/04	10/863,301	Pending
117798-0318	U.S.	REG 279 UNITARY PIPE BURSTING AND PULLING APPARATUS (HG 12)	Wentworth, Crane	4/30/04	10/837,098	Pending
117798-0319	U.S.	ROD PULLING AND PUSHING MACHINE FOR PIPE BURSTING (HB 125)	Wentworth, Crane	8/11/04	10/916,117	Pending
117798-0326	U.S.	PNEUMATIC GROUND PIERCING TOOL WITH MOVABLE CHISEL HEAD ("AIR SPRING")	Randa	11/8/04	10/984,579	Pending
117798-0327	U.S.	METHOD AND APPARATUS FOR INSTALLATION OF UNDERGROUND DUCTS	Wentworth, Crane	8/31/05	11/216,688	Pending
117798-0328	U.S.	REG 304 METHOD AND APPARATUS FOR UNDERGROUND PIPELINE INSTALLATION	Wentworth, Crane	11/24/04	10/997,837	Pending
117798-0333	U.S.	REG 317 METHOD FOR EXTRACTING UNDERGROUND PIPE (STRAND PULLING MACHINE)	Wentworth	4/28/05	11/117,655	Pending
117798-0338	U.S.	DIV 292 METHOD AND APPARATUS FOR REPLACEMENT OF UNDERGROUND PIPE (RELATED TO 246)	Wentworth, Randa, Crane	7/1/05	11/174,180	Pending
117798-0349	U.S.	METHOD AND APPARATUS FOR REMOVING A PIPE LINING	Wentworth, Harry Baum	12/30/05	11/324,018	Pending
117798-0353	U.S.	METHOD AND APPARATUS FOR INSTALLING UNDERGROUND PIPE ("BLIND DRAIN")	Crane	3/10/06	11/372,541	Pending
117798-0355	U.S.	ROD PUSHING AND PULLING MACHINE	Crane, Wentworth	4/19/06	11/406,999	Pending

117798-0287	U.S.	CABLE PULLING SYSTEM (PB30)	Hau	1/27/03	10/352,267	Pending
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