

04-17-2006

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office



103220053

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)

Stewart & Stevenson LLC,
Stewart & Stevenson Distributor Holdings LLC,
Stewart & Stevenson Power Products LLC, and
Stewart & Stevenson Petroleum Services LLC

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance/Execution Date(s):

Execution Date(s) January 25, 2006

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Joint Research Agreement
☐ Government Interest Assignment
☐ Executive Order 9424, Confirmatory License
☐ Other _____

2. Name and address of receiving party(ies)

Name: JPMorgan Chase Bank, N.A., as Collateral Agent

Internal Address: _____

Street Address: 2200 Ross Avenue, 6th Floor

City: Dallas

State: Texas

Country: USA Zip: 75201

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application or patent number(s):

A. Patent Application No.(s)

10/648,901 and 2438936

☐ This document is being filed together with a new application.

B. Patent No.(s)

5,188,174; 5,503,473; 5,590,958; see attached for additional

Additional numbers attached? ☒ Yes ☐ No

5. Name and address to whom correspondence concerning document should be mailed:

Name: Julie H. Cooper

Internal Address: Vinson & Elkins LLP

Street Address: 2001 Ross Avenue, Suite 3700

City: Dallas

State: Texas Zip: 75201

Phone Number: 214-220-7919

Fax Number: 214-999-7919

Email Address: jucooper@velaw.com

6. Total number of applications and patents involved: 22

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 880.00

- ☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☒ Enclosed
☐ None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers _____

Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

Julie H. Cooper
Signature

4/11/06

Date

Julie H. Cooper

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents: 10

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

PATENT
REEL: 017776 FRAME: 0476

PATENT SECURITY AGREEMENT

I. PATENTS

		Issue Date
Apparatus for Inserting and Withdrawing Coil Tubing Into Well (WSP)	5,188,174	9/3/1991
Automatic Cementing System for Precisely Obtaining a Desired Cement Density (WSP)	5,503,473	1/7/1994
Automatic Cementing System for Precisely Obtaining a Desired Cement Density (WSP)	5,590,958	6/6/1995
Automatic Cementing System with Improved Density Control (WSP)	5,624,182	2/27/1995
Automatic Cementing System with Improved Density Control (WSP)	5,775,803	1/31/1997
Shallow Depth, Coiled Tubing Horizontal Drilling System	6,536,539	6/29/2001
Back Reamer Assembly	6,659,198	6/20/2002
Method for Controlling the Density of a Well Fracturing Slurry (PED)	5,441,340	9/19/1994
Encapsulated Meter with Optical Programmer (WSP)	5,184,064	3/25/1991
Method and Apparatus for Automatically Controlling a Well Fracturing Operation (WSP)	5,281,023	8/2/1989
Pressured Flexible Conduit Injection System (WSP)	6,006,839	10/2/1996
Railroad Car Moving Vehicle (UEP)	5,168,815	7/31/1991
"Soft Shift System and Method" for Pumping Equipment (WSP)	6,679,806	1/3/2002
Apparatus for Inserting and Withdrawing Coil Tubing Into Well (WSP) (Great Britain)	507,280	3/13/1996
Hardened Process Controller (WSP) (Canada)	2,414,661	12/17/2002
"Soft Shift System and Method" for Pumping Equipment (WSP) (Canada)	2,415,413	12/21/2003
Broken Shear Pin Indicating System (UEP)	6,556,143	4/29/2003
Broom and Blower Control Method and Apparatus (UEP)	6,618,897	9/16/2003
Height Adjustment System (UEP)	6,351,898	3/3/2002

	Patent Number	Filing Date
Low Turbulence Air Blast System (UEP)	6,367,175	4/9/2002

II. PATENT APPLICATIONS

Truck Mounted Rotating Broom System (UEP)	10/648,901	8/30/2002
Truck Mounted Rotating Broom System (UEP) (Canada)	2438936	8/29/2003

III. PATENT LICENSES

Patent License Agreement	4/15/02	Cudd Pressure Control, Inc. and Stewart & Stevenson Services Services, Inc.
Patent License Agreement, as amended by a Partial Assignment dated January 10, 2006	2/28/05	American Kinetics and Stewart & Stevenson Services Services, Inc.
Patent License Agreement, as amended by a Partial Assignment dated January 10, 2006.	1/7/05	The Charles Machine Works, Inc. and Stewart & Stevenson Services Services, Inc.

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "**Agreement**"), dated as of January 25, 2006, is entered into by STEWART & STEVENSON LLC, a Delaware limited liability company ("**Company**"), STEWART & STEVENSON DISTRIBUTOR HOLDINGS LLC, a Delaware limited liability company ("**SSDH**"), STEWART & STEVENSON POWER PRODUCTS LLC, a Delaware limited liability company ("**SSPP**"), STEWART & STEVENSON PETROLEUM SERVICES LLC, a Delaware limited liability company ("**SSPS**" and collectively with the Company, SSDH and SSPP, the "**Grantors**" and each individually, a "**Grantor**") and JPMORGAN CHASE BANK, N.A., as Collateral Agent (the "**Collateral Agent**") for the Agents, the Lenders and the Other Secured Parties. Capitalized terms not otherwise defined herein have the meanings set forth in the Pledge and Security Agreement dated as of January 25, 2006 among Grantors and Collateral Agent (the "**Security Agreement**").

WHEREAS, pursuant to the Security Agreement, Grantors are granting a security interest to the Lenders in certain Patents whether now owned or existing or hereafter acquired or arising and wherever located, including the Patents listed on Schedule 1 hereto ("**Secured Patents**").

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantors and Collateral Agent hereby agree as follows:

1. Grant of Security Interest.

(a) Each Grantor hereby grants to Collateral Agent, a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under the Secured Patents, subject to the terms and conditions of the Security Agreement.

(b) The security interest granted hereby is granted in conjunction with the security interest granted to Collateral Agent under the Security Agreement. In the event of any conflict between the terms of this Agreement and the terms of the Security Agreement, the terms of the Security Agreement shall control.

2. Modification of Agreement.

This Agreement or any provision hereof may not be changed, waived, or terminated except in accordance with the amendment provisions of the Security Agreement pursuant to which Collateral Agent may modify this Agreement, after obtaining each Grantor's approval of or signature to such modification, by amending Schedule A hereto to include reference to any right, title or interest in any existing Patents or any Patents acquired or developed by such Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights in which any Grantor no longer has or claims any right, title or interest.

3. Governing Law.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND, TO THE EXTENT CONTROLLING, LAWS OF THE UNITED STATES OF AMERICA, EXCEPT TO THE EXTENT THAT THE LAWS OF ANY STATE IN WHICH ANY OF THE COLLATERAL IS

LOCATED NECESSARILY GOVERNS THE VALIDITY, PERFECTION, PRIORITY AND ENFORCEABILITY, AND THE EXERCISE OF ANY REMEDIES WITH RESPECT TO ANY LIEN OR SECURITY INTEREST INTENDED TO BE CREATED OR GRANTED HEREBY ON COLLATERAL LOCATED IN SUCH STATE.

4. Successors and Assigns.

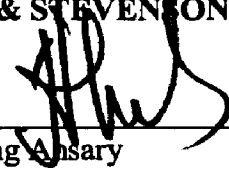
This Agreement shall be binding upon and inure to the benefit of Collateral Agent and Grantors and their respective successors and assigns. Grantors shall not, without the prior written consent of Collateral Agent given in accordance with the Security Agreement, assign any right, duty or obligation hereunder.

5. Counterparts.

This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed, shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

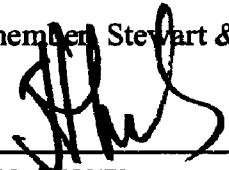
IN WITNESS WHEREOF, Grantors and Collateral Agent have caused this Agreement to be duly executed and delivered as of the date first above written.

STEWART & STEVENSON LLC

By: 
Hushang Ansary
Chairman

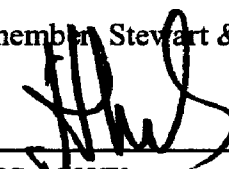
STEWART & STEVENSON DISTRIBUTOR HOLDINGS LLC

By: Its sole member, Stewart & Stevenson LLC

By: 
Hushang Ansary
Chairman

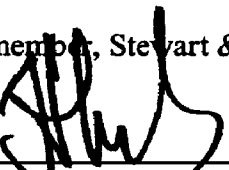
STEWART & STEVENSON POWER PRODUCTS LLC

By: Its sole member, Stewart & Stevenson LLC


By: 
Hushang Ansary
Chairman

STEWART & STEVENSON PETROLEUM SERVICES LLC

By: Its sole member, Stewart & Stevenson LLC

By: 
Hushang Ansary
Chairman

**JPMORGAN CHASE BANK, N.A., as Collateral
Agent**

By: 
Name: Lawrence J. Cannarato
Title: Vice President

Signature Page to Patent Security Agreement

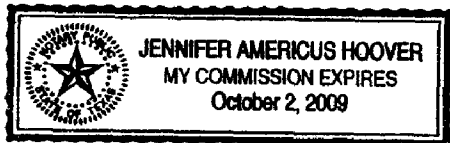
**PATENT
REEL: 017776 FRAME: 0482**

STATE OF TX)
COUNTY OF Harris) ss:

On January 20, 2006, before me, the undersigned, a notary public in and for said state and county, personally appeared Mushang Ansari, personally known to me (or proved to me on the basis of satisfactory evidence), to be the person who executed the within instrument as the Chairman, on behalf of Stewart & Stevenson LLC, a Delaware limited liability company and acknowledged to me that the limited liability company executed the within instrument pursuant to its limited liability company agreement

WITNESS MY HAND AND/OR OFFICIAL SEAL.

(NOTARIAL STAMP OR SEAL)



Jennifer A. Hoover
Notary Public

My Commission Expires:

10/02/09

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