

04-01-2008

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



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GPR/FINANCE

To the Director of the U.S. Patent and

103493583

Documents or the new address(es) below.

1. Name of conveying party(ies)
Smart Pipe Company Inc.

2. Name and address of receiving party(ies)

Name: PipeStream B.V.

Internal Address:

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

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

Execution Date(s) November 29, 2007

☐ Assignment

☐ Merger

☒ Security Agreement

☐ Change of Name

☐ Joint Research Agreement

☐ Government Interest Assignment

☐ Executive Order 9424, Confirmatory License

☐ Other

Street Address: Hardenburch

Lange Kleiweg 60F

City: Rijswijk

State:

Country: The Netherlands Zip: 2288GK

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

4. Application or patent number(s):

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

A. Patent Application No.(s)

US20060151656

US20060151042

B. Patent No.(s) 5,551,484 6,634,388

5,395,472 6,935,376

5,072,622 7,258,141

4,838,477

Additional numbers attached? ☐ Yes ☒ No

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

Name: Shannon, Martin, Finkelstein & Alvarado

Internal Address: Attn: Nancy F. Martin

Street Address: 909 Fannin Street
Suite 2400

City: Houston

State: Texas Zip: 77010

Phone Number: 713-646-5500

Fax Number: 713-752-0337

Email Address: nmartin@smfs.com

6. Total number of applications and patents involved: 9

7. Total fee (37 CFR 1.21(h) & 3.41) \$440.00

☐ 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 03/04/2008 NJAMA1 00000052 20006124188
01 FC:0021

440.00 00

9. Signature:

Signature

Date

STEPHEN C. CATHA

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents: 9

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: 020741 FRAME: 0731

COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (PATENTS)

This COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (PATENTS) (this "Agreement") is executed effective as of November 29, 2007 by SMART PIPE COMPANY INC. ("Debtor"), a Texas corporation, in favor of PIPESTREAM B.V., a company incorporated under the laws of the Netherlands ("Secured Party").

PRELIMINARY STATEMENT

A. The Debtor and Secured Party have entered into a Preferred Stock Purchase Agreement dated on or about the date hereof (as amended, restated supplemented or otherwise modified from time to time, the "Purchase Agreement"); and

B. Debtor is executing a Security Agreement ("Security Agreement") dated of even date herewith in favor of Secured Party to secure performance of Debtor's obligations and liabilities under the Purchase Agreement.; and

C. It is a condition precedent to Secured Party entering into the Purchase Agreement that Debtor enters into this Agreement.

NOW, THEREFORE, in consideration of the premises and to induce Secured Party to enter into the Purchase Agreement, and at the special instance and request of Secured Party, the Debtor hereby covenants and agrees with Secured Party, as follows:

1. Defined Terms.

(a) All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Security Agreement.

(b) "Obligations." The Obligations consist of the following indebtedness, obligations, liabilities and claims:

(i) The prompt and complete performance of all obligations, liabilities and indemnities of Debtor under the Purchase Agreement, this Agreement and the other Transaction Documents (as hereinafter defined) whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereinafter arising out of, under or in connection with the Purchase Agreement, this Agreement and/or any of the other Transaction Documents (as hereinafter defined);

(ii) The repayment of (a) any amounts that Secured Party may advance or spend for the maintenance or preservation of the Property (as hereafter defined) and (b) any other expenditures that Secured Party may make under the provisions of the Purchase Agreement, this Agreement or the Transaction Documents for the benefit of Debtor; and

(iii) All amounts owed by Debtor to Secured Party under any notes, loans, or indebtedness, whether now or hereafter existing.

(b) "Patent Right" means any written agreement and/or license now or hereafter in existence granting to Debtor any right to use any Patent, including, without limitation, any licenses and/or agreements listed on Schedule 1 attached hereto.

(c) "Patents" means all of the following: (i) all of Debtor's patents now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those listed on Schedule 1 attached hereto, together with all the rights, benefits and privileges derived therefrom and the associated goodwill of the business, if any, symbolized thereby, (ii) all reissues, divisions, extensions, renewals, continuations, continuations-in-part, amendments or reexaminations thereof and improvements thereon, and any rights provided by international treaties or conventions and (iii) all proceeds of the foregoing.

(d) "Transaction Documents" mean (i) this Agreement, (ii) the Purchase Agreement, (iii) the Security Agreement; (iv) the Investors' Rights Agreement between Debtor, Secured Party and certain other parties, (v) the Co-Sale Agreement between Debtor, Secured Party and certain other parties and (vi) any other documents executed in connection with such documents or any amendment to any of the foregoing documents.

2. Security Interest and Collateral Assignment. As security for the Obligations, Debtor hereby grants and conveys a security interest to Secured Party in, and collaterally assigns to Secured Party, all of its right, title and interest in, to and under the following (collectively, the "Property"):

(a) Each Patent now or hereafter owned by or assigned to Debtor or in which Debtor now has or hereafter acquires rights, wherever located and the associated goodwill of the business of Debtor relating thereto or represented thereby, including, without limitation, each Patent referred to in Schedule 1 hereto and any renewals, extensions, modifications or supplements of registrations thereof;

(b) Each Patent Right now or hereafter held by Debtor or in which Debtor now has or hereafter acquires rights, wherever located, including, without limitation, the Patent Rights, if any, referred to in Schedule 1 hereto;

(c) Any claim by Debtor against third parties for past, present or future infringement, misappropriation or breach of any Patent or Patent Right, if any, including, without limitation, any Patent or Patent Right referred to in Schedule 1 hereto including the right to sue for and collect or otherwise recover damages; and

(d) any and all proceeds of the foregoing.

Notwithstanding the foregoing or anything else contained in this Agreement to the contrary,

unless and until Secured Party exercises the rights and remedies accorded to it under the Security Agreement or by law with respect to the realization upon its security interest in and collateral assignment of the Property, Debtor shall own, and may use and enjoy the Property in connection with its business operations, including the granting of rights and use in the ordinary course of Debtor's business, but with respect to all Property usable in Debtor's business, only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property. THE INTEREST IN THE PROPERTY BEING ASSIGNED HEREUNDER SHALL NOT BE CONSTRUED AS A CURRENT ASSIGNMENT, BUT AS A CONTINGENT ASSIGNMENT AS A SECURITY INTEREST TO SECURE DEBTOR'S OBLIGATIONS TO SECURED PARTY UNDER THE SECURITY AGREEMENT WHICH MAY BE FORECLOSED OR SOLD UPON DEFAULT.

3. Incorporation of the Security Agreement. Debtor does hereby acknowledge and affirm that the representations, warranties and covenants of Debtor with respect to the Property and the rights and remedies of Secured Party with respect to the security interest in and collateral assignment of the Property made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Should a conflict arise between the terms and provisions set forth in this Agreement and the Security Agreement, the terms and provisions of the Security Agreement shall control.

4. Future Rights. If Debtor shall obtain or acquire rights to any new Patent or Patent Right, the provisions of Section 2 of this Agreement shall automatically apply thereto and Debtor authorizes Secured Party to modify this Agreement by amending Schedule 1 to include any future Patents and Patent Rights covered by Section 2 of this Agreement or by this Section 4.

5. Representations and Warranties. Debtor represents and warrants to Secured Party that, except as disclosed in the Purchase Agreement and the schedules thereto:

(a) This Agreement creates a valid and perfected first priority lien and security interest in the Property of the Debtor. All filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken.

(b) No consent, approval, authorization, or other order or other action by, and no notice to or filing with, any Governmental Authority (as defined in the Security Agreement) or any other person or entity is required for the grant of a Security Interest by the Debtor in and to the Property pursuant to this Agreement.

(c). Schedule 1 contains a complete and accurate list of all Patents and Patent Rights owned by the Debtor which are to be pledged pursuant to this Agreement.

(d). With respect to the Patents and Patent Rights purported to be owned by the Debtor, the Debtor exclusively owns such Patents and Patent Rights and, without payment to a third party, possesses adequate and enforceable rights to such Patents and Patent Rights as necessary for the operation of its business.

(e) All Patents and Patent Rights owned by or exclusively licensed to the Debtor which

are listed on Schedule 1 that have been issued by, or registered, or are the subject of an application filed with, as applicable, the U.S. Patent and Trademark Office or any similar office or agency anywhere in the world are currently in compliance with formal legal requirements (including without limitation, as applicable, payment of filing, examination and maintenance fees, inventor declarations, proofs of working or use, timely post-registration filing of affidavits of use and incontestability, and renewal applications), and, to the knowledge of the Debtor, all of Debtor's Patents and Patent Rights owned by or exclusively licensed to the Debtor are valid and enforceable;

(f) None of the Patents and Patent Rights described on Schedule 1 have been or are now involved in any interference, reissue, re-examination or opposition proceeding; to the knowledge of the Debtor, there is no patent or patent application of any third party that potentially interferes with a Debtor Patent or Patent Right; all products made, used or sold under the Patents have been marked with the proper patent notice;

(g) There are no pending or, to the knowledge of the Debtor, threatened claims against the Debtor alleging that practice of any invention claimed in any of the Patents or Patent Rights listed on Schedule 1 would infringe or violate (or in the past infringed or violated) the rights of others in or to any third party intellectual property assets or constitutes a misappropriation of (or in the past constituted a misappropriation of) any subject matter of any of Debtor's Patents, is invalid or unenforceable;

(h) No activity by the Debtor, nor manufacture, use, importation, offer for sale and/or sale of any product incorporating the Patents or Patent Rights infringes or violates (or in the past infringed or violated) any third party asset or constitutes a misappropriation of (or in the past constituted a misappropriation of) any subject matter of any third party intellectual property asset;

(i) All former and current employees, consultants and contractors of the Debtor have executed written instruments with the Debtor that assign to the Debtor all rights, title and interest in and to any and all Patents and Patent Rights. In each case where a Patent or Patent Right is held by Debtor by assignment, the assignment has been duly recorded with the U.S. Patent and Trademark Office and all similar offices and agencies anywhere in the world in which foreign counterparts are registered or issued; and

(j) To the knowledge of the Debtor, (A) there is no, nor has there been any, infringement or violation by any person or entity of any of the Patents or the Debtor's rights therein or thereto and (B) there is no, nor has there been any, misappropriation by any person or entity of any of the Patents or the subject matter thereof;

6. Assignment. Except for the security interest herein granted, the Debtor shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Property, or (ii) create or permit to exist any lien or security interest in, upon or with respect to any Property.

7. Further Assurances.

(a) The Debtor agrees that from time to time, at its own expense, the Debtor will promptly execute and deliver all further instruments and documents, and take all further action, that

may be reasonably necessary or that Secured Party may reasonably request, in order to perfect and protect any lien or security interest granted or purported to be granted herein with respect to the Property or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any of the Property.

(b) The Debtor authorizes the filing by Secured Party of financing or continuation statements, or amendments thereto, and the Debtor will execute and deliver to Secured Party such other instruments or notices, as may be necessary or as Secured Party may reasonably request, in order to perfect and preserve the lien or security interest granted or purported to be granted herein.

8. Attorney-In-Fact. The Debtor hereby irrevocably appoints Secured Party its attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, at such time as an Default Event (as defined in the Security Agreement) has occurred and is continuing, to take any action and to execute any instrument which Secured Party may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation to ask, demand, collect, sue for, recover, moneys due and to become due under or in connection with the Property of the Debtor. To the extent permitted by law, the Debtor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated.

9. Default and Remedies. In the event of default in the performance of the Obligations under the Transaction Documents, Secured Party shall have the rights and remedies set forth under the Security Agreement and other Transaction Documents, in addition to all rights and remedies herein set forth.

10. Recording. Debtor authorizes the filing of this Agreement and/or a recording form cover sheet with the U.S. Patents and Trademarks Office and other applicable domestic and foreign governmental offices.


11. Choice of Laws. This Agreement shall be construed under, and governed by, the laws of the State of Texas, excluding, however, its choice of law rules and applicable federal law.

Signature Page
Collateral Assignment and Security Agreement (Patents)
Smart Pipe Company Inc.

IN WITNESS WHEREOF, the Debtor has caused this Agreement to be duly executed as of the date set forth hereinabove.

DEBTOR:

SMART PIPE COMPANY INC.

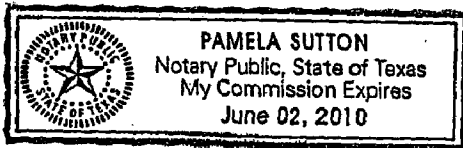
By: 
Name: Stephen C. Catka
Title: President

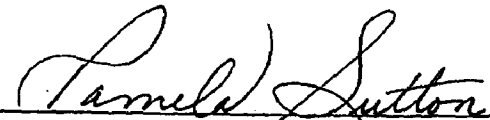
THE STATE OF TEXAS

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§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on November 28, 2007, by Stephen C. Catka, the President of SMART PIPE COMPANY INC., a Texas corporation, on behalf of such company.




Notary Public in and for the State of Texas

Printed Name _____
My Commission Expires: _____

SCHEDULE 1
PATENTS AND PATENT APPLICATIONS

<u>ITEM</u>	<u>DESCRIPTION</u>
Charboneau patent	Patent #5,551,484 CHARBONEAU PIPE LINER AND MONITORING SYSTEM
Mandich Patent	Patent #5,395,472 MANDICH LINING SYSTEM AND METHODS FOR INSTALLING PLASTIC LINERS IN PIPE
Safety Liner patents	Patent #5,072,622 ROACH et al PIPELINE MONITORING AND LEAK CONTAINMENT SYSTEM AND APPARATUS THEREFORE Patent #4,838,477 ROACH et al METHOD OF WELDING FLANGED PIPE SECTIONS AND APPARATUS THEREFORE Patent #6,634,388 TAYLOR et al ANNULAR FLUID MANIPULATION IN LINED TUBULAR SYSTEMS Patent #6,935,376 TAYLOR et al ENHANCEMENT OF PROFILED TUBULAR LINING SYSTEMS BY CHANNEL AUGMENTATION
Smart Pipe patent pending	#20060124188, Catha, Stephen C. et al PIPE LINER APPARATUS AND METHOD
Smart Pipe patent pending	#20060151656, Gallagher, James, et al SYSTEM AND METHODS FOR MAKING PIPE LINERS
Smart Pipe patent pending	#20060151042, Stringfellow, William D., et al PIPE LINER

The above three patents pending were combined into one international application. PCT#W/O2006/064284 A1. Publication date June 22, 2006. Patent pending #20060124188 became an issued patent (#7,258,141) on August 21, 2007.

Smart Pipe ® Trademark Reg. No. 2,810,834, February 3, 2004

ITEM

DESCRIPTION

Stonesifer pressure calculation spreadsheet

By entering a series of data points on the host pipe, plus the lay angle, the reinforcing material and its width, and the number of carbon fiber pulling tapes this spreadsheet calculates the final pressure rating of the proposed design.

Stonesifer ADENA computer simulations of liner system physical characteristics

A series of data points representing the minimum bend radii that can be reached during a liner installation.

SES Software

Operating software and source code for factory operating system

Manufacturing techniques

ISO based quality control, safety and factory operating manual.

Smart Pipe test data base

Historical database of testing that confirms Stonesifer pressure calculation spreadsheet.

Contact Data Base

An "Outlook" maintained data base containing detailed contact information for a large number of pipeline integrity engineers, other key decision makers and centers of influence that is not readily available through published sources.