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FORM PTO-1595
rev. 6-93)

18 No. 0651-0011 (exp. 4/94)

5.7.98 REC

05-12-1998

SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark OfficeTab settings ☐ ☐ ☐ ☐

To the Honorable Commissioner of Patents



100708887

Attached original documents or copy thereof.

1. Name of conveying party(ies):

Scott USA Inc.

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

3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ Other

Execution Date: April 30, 1998

2. Name and address of receiving party(ies)

Name: First Security Bank, N.A.

Internal Address: P.O. Box 7069

Street Address: 119 N. 9th Street

City: Boise State: ID ZIP: 83730

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

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

See attached Schedule A

B. Patent No.(s)

See attached Schedule A

Additional numbers attached? ☒ Yes ☐ No

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

Name: Moffatt Thomas Barrett Rock & Fields, Chtd.

Internal Address: P.O. Box 829

Boise, ID 83701-0829

Street Address: 101 S. Capitol Blvd.,

10th Floor

City: Boise State: ID ZIP: 83701

6. Total number of applications and patents involved: 7

7. Total fee (37 CFR 3.41).....\$ 280.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

05/08/1998 SSMITH 00000102 08882355

DO NOT USE THIS SPACE

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280.00 DP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

David S. Jensen, Esq.

Name of Person Signing

Signature

5-6-98

Date

Total number of pages including cover sheet, attachments, and document: 23

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

REEL: 9146 FRAME: 0811

Schedule A
Attachment to Recordation Form Cover Sheet - Patents Only

Serial Numbers

08/882355

Patent Numbers

4571748

4653124

4750754

4878397

5145210

5209508

PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS PATENT COLLATERAL SECURITY AND PLEDGE AGREEMENT is made as of April 30, 1998, between **SCOTT USA INC.**, a Delaware corporation, having its principal place of business at 110-114 Lewis Street, Ketchum, Idaho ("Scott"), and **FIRST SECURITY BANK, N.A.** (the "Bank").

A. Scott and the Bank entered into a Credit Agreement dated as of April 30, 1998 (as amended and in effect from time to time, the "Credit Agreement").

B. It is a condition precedent to the Bank's making any loans or otherwise extending credit to Scott under the Credit Agreement that Scott execute and deliver to the Bank a patent security agreement in substantially the form hereof.

C. Scott has executed and delivered to the Bank the Security Agreement (as defined in the Credit Agreement), pursuant to which Scott has granted to the Bank a security interest in certain of Scott's personal property and fixture assets, including without limitation the patents and patent applications listed on *Schedule A* attached hereto, all to secure the payment and performance of the Obligations (as defined in the Credit Agreement).

D. This Patent Agreement is supplemental to the provisions contained in the Security Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Credit Agreement and the Security Agreement. In addition, the following terms shall have the meanings set forth in this Section 1 or elsewhere in this Patent Agreement referred to below:

1.1 Patent Agreement. This Patent Collateral Assignment and Security Agreement, as amended and in effect from time to time.

1.2 Patent Collateral. All of Scott's right, title and interest in and to all of the Patents, the Patent License Rights, and all other Patent Rights, and all additions, improvements, and accessions to, all substitutions for and replacements of, and all products and Proceeds (including insurance proceeds) of any and all of the foregoing, and all books and records and technical information and data describing or used in connection with any and all such rights, interests, assets or property, excluding, however, any of the foregoing to the extent Scott cannot

grant a security interest therein without obtaining the consent of a third party, which consent has not been obtained.

1.3 Patent License Rights. Any and all past, present or future rights and interests of Scott pursuant to any and all past, present and future licensing agreements in favor of Scott, or to which Scott is a party, pertaining to any Patents, or Patent Rights, owned or used by third parties in the past, present or future, including the right in the name of Scott or the Bank to enforce, and sue and recover for, any past, present or future breach or violation of any such agreement.

1.4 Patent Rights. Any and all past, present or future rights in, to and associated with the Patents throughout the world, whether arising under federal law, state law, common law, foreign law, or otherwise, including but not limited to the following: all such rights arising out of or associated with the Patents; the right (but not the obligation) to register claims under any federal, state or foreign patent law or regulation; the right (but not the obligation) to sue or bring opposition or bring cancellation proceedings in the name of Scott or the Bank for any and all past, present and future infringements of or any other damages or injury to the Patents or the Patent Rights, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, damage or injury; and the Patent License Rights.

1.5 Patents. All patents and patent applications, whether United States or foreign, that are owned by Scott or in which Scott has any right, title or interest, now or in the future, including but not limited to:

(a) the patents and patent applications listed on *Schedule A* hereto (as the same may be amended pursuant hereto from time to time);

(b) all letters patent of the United States or any other country, and all applications for letters patent of the United States or any other country;

(c) all re-issues, continuations, divisions, continuations-in-part, renewals or extensions thereof;

(d) the inventions disclosed or claimed therein, including the right to make, use, practice and/or sell (or license or otherwise transfer or dispose of) the inventions disclosed or claimed therein; and

(e) the right (but not the obligation) to make and prosecute applications for such Patents.

1.6 Proceeds. Any consideration received from the sale, exchange, license, lease or other disposition or transfer of any right, interest, asset or property which constitutes all or any part of the Patent Collateral, any value received as a consequence of the

ownership, possession, use or practice of any Patent Collateral, and any payment received from any insurer or other person or entity as a result of the destruction or the loss, theft or other involuntary conversion of whatever nature of any right, interest, asset or property which constitutes all or any part of the Patent Collateral.

1.7 PTO. The United States Patent and Trademark Office.

2. Grant of Security Interest.

2.1 Security Interest.

As collateral security for the payment and performance in full of all of the Obligations, Scott unconditionally grants to the Bank a continuing security interest in and first priority lien (subject to Permitted Liens and except as otherwise provided herein) on the Patent Collateral, and pledges and mortgages (but does not transfer title to) the Patent Collateral to the Bank. In addition, Scott has executed in blank and delivered to the Bank an assignment of patents in substantially the form of the attached *Exhibit A* (the "Assignment of Patents"). Scott authorizes the Bank to complete as assignee and record with the PTO the Assignment of Patents upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Bank's remedies under this Patent Agreement and the Security Agreement.

2.2 Conditional Assignment.

In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Patent Collateral provided in Section 2.1, Scott grants, assigns, transfers, conveys and sets over to the Bank Scott's entire right, title and interest in and to the Patent Collateral; **provided** that such grant, assignment, transfer and conveyance shall be and become of force and effect only (i) upon or after the occurrence and during the continuance of an Event of Default and (ii) either (A) upon the written demand of the Bank at any time during such continuance or (B) immediately and automatically (without notice or action of any kind by the Bank) upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Security Agreement and applicable law (including the transfer or other disposition of the Collateral by Scott to the Bank or its nominee in lieu of foreclosure).

3. Representations, Warranties and Covenants.

Scott represents, warrants and covenants that, except as set forth in *Schedule B*: (i) *Schedule A* attached hereto sets forth a true and complete list of all the patents, rights to patents and patent applications now owned, licensed, controlled or used by Scott except for such patents, rights to patents, and patent applications, the loss of which would not materially adversely affect Scott's ability to perform its obligations under the Loan Documents; (ii) the issued Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no litigation or proceeding pending concerning the validity or enforceability of the issued Patents; (iii) to the best

of Scott's knowledge, each of the issued Patents is valid and enforceable; (iv) to the best of Scott's knowledge, there is no infringement by others of the issued Patents or Patent Rights; (v) to the best of Scott's knowledge, no claim has been made that the use of any of the Patents does or may violate the rights of any third person, and to the best of Scott's knowledge there is no infringement by Scott of the patent rights of others; (vi) Scott is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents (other than ownership and other rights reserved by third party owners with respect to Patents which Scott is licensed to practice or use and the rights of third party licensees licensed by Scott in the ordinary course of business), free and clear of any liens, charges, encumbrances and adverse claims, including without limitation pledges, assignments, licenses, shop rights and covenants by Scott not to sue third persons, other than the security agreement and mortgage created by the Security Agreement and this Patent Agreement, subject to Permitted Liens, and the aforementioned rights of licensors and licensees; (vii) Scott is authorized to enter into this Patent Agreement and perform its terms; (viii) this Patent Agreement, together with the Security Agreement, will create in favor of the Bank a valid and perfected first priority security interest in the Patent Collateral (subject to Permitted Liens and the aforementioned rights of licensors and licensees and except with respect to foreign Patent Collateral) upon making the filings referred to in clause (ix) of this Section 3; and (ix) except for the filing of financing statements with Secretary of State for the State of Idaho under the Idaho Uniform Commercial Code and the filing of this Patent Agreement with the PTO, no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required either (1) for the grant by Scott or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Patent Agreement by Scott, or (2) for the perfection of Bank's security interest in the Patent Collateral, except in each case with respect to foreign Patent Collateral.

4. No Transfer or Inconsistent Agreements.

Without the Bank's prior written consent, which will not be unreasonably withheld or delayed, and except as permitted by the Credit Agreement, and except for licenses of the Patent Collateral in the ordinary course of Scott's business consistent with its past practices, Scott will not (i) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Patent Collateral, or (ii) enter into any agreement (for example, a license agreement) that is inconsistent with Scott's obligations under this Patent Agreement or the Security Agreement.

5. After-Acquired Patents, Etc.

5.1 After-Acquired Patents.

If, before the Obligations shall have been finally paid and satisfied in full, Scott shall obtain any right, title or interest in or to any other or new patents, patent applications or patentable inventions, or become entitled to the benefit of any patent application or patent or any reissue, division, continuation, renewal, extension, or continuation-in-part of any of the Patent Collateral or any improvement on any of the Patent Collateral, the provisions of this Patent

Agreement shall automatically apply thereto (except to the extent Scott cannot grant a security interest therein without obtaining the consent of a third party, which consent has not been obtained) and Scott shall promptly give to the Bank notice thereof in writing and execute and deliver to the Bank such documents or instruments as the Bank may reasonably request further to evidence and perfect (except for foreign Patent Collateral) such security interest.

5.2 Amendment to Schedule.

Scott authorizes the Bank to modify this Patent Agreement, without the necessity of Scott's further approval or signature, by amending **Schedule A** hereto to include any such future or other Patents or Patent Rights under Section 2 or Section 5 hereof.

6. Patent Prosecution.

6.1 Scott Responsible.

Scott shall assume full and complete responsibility for the prosecution, grant, enforcement or any other necessary or desirable actions in connection with the Patent Collateral, and shall hold the Bank harmless from any and all costs, damages, liabilities and expenses which may be incurred by the Bank in connection with the Bank's security interest in any of the Patent Collateral or any other action or failure to act in connection with this Patent Agreement or the transactions contemplated hereby, except to the extent caused by the gross negligence or wilful misconduct of the Bank.

6.2 Scott's Duties.

Subject to the exercise of reasonable business judgment, Scott shall have the duty to prosecute diligently any patent applications of the Patents pending as of the date of this Patent Agreement or thereafter, to make application for unpatented but reasonably patentable inventions and to preserve and maintain all rights in the Patents, including without limitation the payment when due of all maintenance fees and other fees, taxes and other expenses which shall be incurred or which shall accrue with respect to any of the Patents. Any expenses incurred in connection with such applications and actions shall be borne by Scott. Subject to the exercise of reasonable business judgment, Scott shall not abandon any filed patent application, or any pending patent application or patent, without the consent of the Bank, which consent shall not be unreasonably withheld. The Bank hereby appoints Scott as its agent for all matters referred to in the foregoing provisions of this Section 6 and agrees to execute any documents necessary to confirm such appointment. Upon the occurrence and during the continuance of an Event of Default, the Bank may terminate such agency by providing written notice of termination to Scott.

6.3 Scott's Enforcement Rights.

Scott shall have the right, with the consent of the Bank, which shall not be unreasonably withheld, to bring suit or other action in Scott's own name to enforce the Patents and the Patent Rights. The Bank shall be required to join in such suit or action as may be necessary to assure Scott's ability to bring and maintain any such suit or action in any proper forum so long as the Bank is completely satisfied that such joinder will not subject the Bank to any risk of liability. Scott shall promptly, upon demand, reimburse and indemnify the Bank for all damages, costs and expenses, including legal fees, incurred by the Bank pursuant to this Section 6.

6.4 Protection of Patents.

Subject to the exercise of reasonable business judgment, in general, Scott shall take any and all such actions (including but not limited to institution and maintenance of suits, proceedings or actions) as may be reasonably necessary or appropriate to properly maintain, protect, preserve, care for and enforce the Patent Collateral. Subject to the exercise of reasonable business judgment, Scott shall not take or fail to take any action, nor permit any action to be taken or not taken by others under its control, that would materially adversely affect the validity, grant or enforcement of any of the Patent Collateral.

6.5 Notification by Scott.

Promptly upon obtaining knowledge thereof, Scott will notify the Bank in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court, regarding the validity of any of the Patents or Scott's rights, title or interests in and to any of the Patent Collateral, and of any event that does or has at least a reasonable possibility of an outcome that would materially adversely affect the value of any of the Patent Collateral, the ability of Scott or the Bank to dispose of any of the Patent Collateral or the rights and remedies of the Bank in relation thereto (including but not limited to the levy of any legal process against any of the Patent Collateral).

7. [Intentionally Omitted.]

8. Remedies.

If any Event of Default shall have occurred and be continuing, then upon notice by the Bank to Scott: (i) Scott's license with respect to the Patents as set forth in Section 7 shall terminate; (ii) Scott shall immediately cease and desist from the practice, manufacture, use and sale of the inventions claimed, disclosed or covered by the Patents; and (iii) the Bank shall have, in addition to all other rights and remedies given it by this Patent Agreement, the Credit Agreement, the Security Agreement, and the other Loan Documents, those allowed by law and the rights and remedies of a secured party under the Idaho Uniform Commercial Code, and, without limiting the generality of the foregoing, the Bank may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Scott, all of which are hereby expressly waived, and without advertisement, sell or license at public or private sale or otherwise

realize upon the whole or from time to time any part of the Patent Collateral, or any interest which Scott may have therein, and after deducting from the proceeds of sale or other disposition of the Patent Collateral all expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations as set forth in the Security Agreement. Notice of any sale, license or other disposition of any of the Patent Collateral shall be given to Scott at least ten (10) days before the time that any intended public sale or other disposition of such Patent Collateral is to be made or after which any private sale or other disposition of such Patent Collateral may be made, which Scott hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Bank may, to the extent permitted under applicable law, purchase or license the whole or any part of the Patent Collateral or interests therein sold, licensed or otherwise disposed of.

9. Collateral Protection.

If Scott shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of Scott shall be breached after all applicable cure and grace periods have expired or Bank reasonably determines that due to exigent circumstances it must act prior to the expiration of such periods in order to protect its interest in the Collateral, the Bank, in its own name or that of Scott (in the sole discretion of the Bank), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and Scott shall promptly reimburse the Bank for any cost or expense incurred by the Bank in so doing.

10. Power of Attorney.

If any Event of Default shall have occurred and be continuing, Scott makes, constitutes and appoints the Bank (and any officer or agent of the Bank as the Bank may select in its exclusive discretion) as Scott's true and lawful attorney-in-fact (without power to create personal liability for Borrower), with the power to endorse Scott's name on all applications, documents, papers and instruments necessary for the Bank to use any of the Patent Collateral, to practice, make, use or sell the inventions disclosed or claimed in any of the Patent Collateral, to grant or issue any exclusive or nonexclusive license of any of the Patent Collateral to any third person, or necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of the Patent Collateral or any part thereof or interest therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts which Scott is obligated to execute and do hereunder. Scott hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, and releases the Bank from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by the Bank under this power of attorney (except for the Bank's gross negligence or willful misconduct). This power of attorney shall be irrevocable for the duration of this Patent Agreement.

11. Further Assurances.

Scott shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as reasonably necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, using commercially reasonable efforts to obtain consents of third parties), as the Bank may reasonably request or as may be reasonably necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Patent Agreement, or to assure and confirm to the Bank the grant, perfection and priority of the Bank's security interest in any of the Patent Collateral as provided for herein.

12. Termination.

When all of the Obligations have been finally paid and satisfied in full and Bank has no outstanding commitment under the Credit Agreement, this Patent Agreement shall terminate and the Bank shall, upon the written request and at the expense of Scott execute and deliver to Scott all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in Scott the entire right, title and interest to the Patent Collateral previously granted, assigned, transferred and conveyed to the Bank by Scott pursuant to this Patent Agreement, as fully as if this Patent Agreement had not been made, subject to any disposition of all or any part thereof which may have been made by the Bank pursuant hereto or the Security Agreement.

13. Course of Dealing.

No course of dealing among Scott and the Bank, nor any failure to exercise, nor any delay in exercising, on the part of the Bank, any right, power or privilege hereunder or under the Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. Expenses.

Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Bank in connection with the preparation of this Patent Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving any of the Patent Collateral, or (subject to the terms of Article 6 above) in defending or prosecuting any actions or proceedings arising out of or related to any of the Patent Collateral, shall be borne and paid by Scott.

15. Overdue Amounts.

Until paid, all amounts due and payable by Scott hereunder shall be a debt secured by the Patent Collateral and other Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal pursuant to the Credit Agreement.

16. No Assumption of Liability; Indemnification.

Notwithstanding anything to the contrary contained herein, the Bank assumes no liabilities of Scott with respect to any claim or claims regarding Scott's ownership or purported ownership of, or rights or purported rights arising from, any of the Patent Collateral or any practice, use, license or sublicense thereof, or any practice, manufacture, use or sale of any of the inventions disclosed or claimed therein, whether arising out of any past, current or future event, circumstance, act or omission or otherwise. All of such liabilities shall be exclusively borne by Scott, and Scott shall indemnify the Bank for any and all costs, expenses, damages and claims, including legal fees, incurred by the Bank with respect to such liabilities, except to the extent caused by the gross negligence or wilful misconduct of Bank. The powers conferred on the Bank hereunder are solely to protect its interest in the Patent Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Patent Collateral in its possession and the accounting for moneys actually received by it hereunder, the Bank shall have no duty as to any Patent Collateral, or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Patent Collateral. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of any Patent Collateral in its possession if such Patent Collateral is accorded treatment substantially equal to that which it accords its own property.

17. Rights and Remedies Cumulative.

All of the Bank's rights and remedies with respect to the Patent Collateral, whether established hereby or by the Security Agreement or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. This Patent Agreement is supplemental to the Security Agreement, and nothing contained herein shall in any way derogate from any of the rights or remedies of the Bank contained therein. Nothing contained in this Patent Agreement shall be deemed to extend the time of attachment or perfection of or otherwise impair the security interest in any of the Patent Collateral granted to the Bank under the Security Agreement.

18. Notices.

Unless otherwise provided in this Agreement, all notices or demands by either party relating to this Agreement shall be in writing and either personally served or sent by facsimile transmission, recognized overnight delivery service, or regular United States mail, postage prepaid, to Scott or to Bank as the case may be at the addresses set forth below:

If to Scott: Scott USA Inc.
 P.O. Box 2030
 Sun Valley, Idaho 83353
 Attention: David Stevens
 Fax: 208/622-1005

With a copy to: Rosenberg & Liebentritt, P.C.
 Two North Riverside Plaza
 Suite 1600
 Chicago, Illinois 60606
 Attention: Marc S. Brenner
 Fax: 312/454-0335

If to Bank: First Security Bank, N.A.
 P.O. Box 7069
 Boise, Idaho 83730
 Attention: Idaho Corporate Banking
 Fax: 208/393-2472

With a copy to: Moffatt, Thomas, Barrett, Rock &
 Fields, Chartered
 101 S. Capitol Blvd., 10th Floor
 P.O. Box 829
 Boise, Idaho 83701-0829
 Attention: David S. Jensen
 Fax: 208/385-5384

The parties may change the address at which they are to receive notices hereunder by notice in writing in the foregoing manner given to the other. All notices or demands sent in accordance with this Section shall be deemed given on the earlier of the date of confirmed actual receipt or if sent by personal delivery, on delivery; if sent by facsimile, on transmission; if sent by overnight delivery service, on the next business day; otherwise three (3) business days after the deposit thereof in the mail.

19. Amendment and Waiver.

This Patent Agreement is subject to modification only by a writing signed by the Bank and Scott, except as provided in Section 5.2. The Bank shall not be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by the Bank. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

20. Governing Law; Consent to Jurisdiction.

This Patent Agreement is made in the state of Idaho, which state the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby. Accordingly, in all respects, including, without limiting the generality of the foregoing, matters of construction, validity, enforceability and performance, this Patent Agreement and the obligations arising hereunder and thereunder shall be governed by, and construed in accordance with, the laws of the state of Idaho applicable to contracts made and performed in such state and any applicable law of the United States of America. Each party hereby unconditionally and irrevocably waives, to the fullest extent permitted by law, any claim to assert that the law of any jurisdiction other than the state of Idaho governs this Patent Agreement. All disputes, controversies, or claims arising out of, or in connection with, this Patent Agreement shall be litigated in any court of competent jurisdiction within the state of Idaho. Each party hereby accepts jurisdiction of such state and agrees to accept service of process as if it were personally served within such state. Each party irrevocably waives, to the fullest extent permitted by law, any objection that the party may now or hereafter have to the jurisdiction of the courts of such state and any claim that any such litigation brought in any such court has been brought in an inconvenient forum.

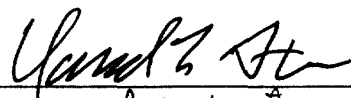
21. Miscellaneous.

The headings of each section of this Patent Agreement are for convenience only and shall not define or limit the provisions thereof. This Patent Agreement and all rights and obligations hereunder shall be binding upon Scott and its successors and assigns, and shall inure to the benefit of the Bank and its successors and assigns. In the event of any irreconcilable conflict between the provisions of this Patent Agreement and the Credit Agreement, or between this Patent Agreement and the Security Agreement, the provisions of the Credit Agreement or the Security Agreement, as the case may be, shall control. If any term of this Patent Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Patent Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. Scott acknowledges receipt of a copy of this Patent Agreement.

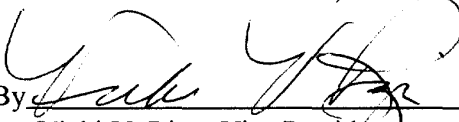
[signature page follows]

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

SCOTT USA INC.

By 
Its Vice President

FIRST SECURITY BANK, N.A.

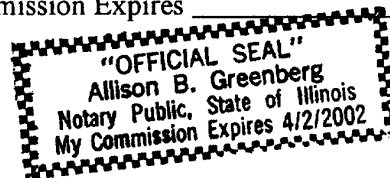
By 
Vicki V. Riga, Vice President

STATE OF ~~IDAHO~~)
12) ss.
County of ~~Ada~~)
Coe

On this 27 day of April, 1998, before me Allison B. Greenberg
David L. Stevens personally appeared David L. Stevens known or identified to me (or proved to me on the oath of _____) to be the president, or vice-president, or secretary or assistant secretary, of **SCOTT USA INC.**, the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Allison B. Greenberg
NOTARY PUBLIC FOR IDAHO
Residing at _____
My Commission Expires _____



STATE OF IDAHO)
) ss.
County of Ada)

On this 30th day of April, 1998, before me Arlene Solomon, personally appeared **VICKI V. RIGA**, known or identified to me (or proved to me on the oath of _____) to be the vice-president of **FIRST SECURITY BANK, N.A.**, the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Arlene Solomon
NOTARY PUBLIC FOR IDAHO
Residing at Borah, Idaho
My Commission Expires 12-19-2000

SCHEDULE A
ISSUED AND PENDING PATENTS

See attached.

SCHEDULE A
043098

PATENT
REEL: 9146 FRAME: 0826 189647_1

Scott USA, Inc Patents - Worldwide

April 3, 1998

CASE NO.	CTRY	SERIAL NO.	PATENT NO.	STATUS	ASSIGNEE	TITLE
FORGN NO.	TYPE	FILING DATE	ISSUE DATE			
2427011738	ORD					
2427011258	UNIKN	88300112.5	027/442	Opposed	Licensed to Scott USA LP	Bicycle And Handlebar System (Case 1)
2427011320	EPC	01/08/88				
2427011312	UNIKN	89302946.2	0335610	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 2 Closed Loop)
2427011363	EPC	03/23/89	09/29/93			
2427011428	UNIKN	91302756.1	0449635	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 4 Drop-In)
2427011460C	EPC	03/28/91	06/07/95			
2427010308	USA	06/460510	4571748	Issued	Scott USA Inc.	Frameless Goggle And Method Of Making The Same
ORD	01/24/83		02/25/86			
2427010995	USA	06/755456	4653124	Issued	Scott USA Inc.	Face Mask Having An Air Duct Connectable To A Goggle
ORD	07/16/85		03/31/87			
2427011258	USA	07/001616	4750754	Issued	Licensed to Scott USA LP	Bicycle And Handlebar System (Case 1)
ORD	01/09/87		06/14/88			
2427011312	USA	07/173765	4878397	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 2 Closed Loop)
CIP	03/28/88		11/07/89			
2427011380	USA	07/787698	5145210	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 3 Extreme)
11380 A	FMC	11/01/91	09/08/92			
2427011428	USA	07/758187	5209508	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 4 Drop-In)
11428 A	FMC	09/12/91	05/11/93			
2427011746	USA	08/882355		Pending	Scott USA Inc.	Quick Connect/Disconnect Coupling
ORD	06/25/97					

April 3, 1998

CASE NO.	CTRY	SERIAL NO.	PATENT NO.	STATUS	ASSIGNEE	TITLE
FORGN NO.	TYPE	FILING DATE	ISSUE DATE			
2427010995	AUSTR	A1939/86	388659	Issued	Scott USA Inc.	Face Mask Having An Air Duct Connectable To A Goggle
2427011142	ORD	07/16/86	08/10/89			
2427011428	EPO	91302756.1	449635	Completed	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 4 Drop-In)
2427011460	CIP	03/28/91	06/07/95			
2427011258	FRANC	88300112.5	0274442	Opposed	Licensed to Scott USA LP	Bicycle And Handlebar System (Case 1)
2427011444	EPC	01/08/88				
2427011312	FRANC	89302946.2	0335610	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 2 Closed Loop)
2427011584	EPC	03/23/89	09/29/93			
2427011428	FRANC	91302756.1	0449635	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 4 Drop-In)
2427011460A	EPC	03/28/91	06/07/95			
2427011258	GERNE	P3865436.9-08	0274442	Opposed	Licensed to Scott USA LP	Bicycle And Handlebar System (Case 1)
2427011487	EPC					
2427011312	GERNE	089302946.2	P68909464	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 2 Closed Loop)
2427011576	EPC	03/23/89	09/29/93			
2427011428	GERNE	91302756.1	P69110172	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 4 Drop-In)
2427011460B	EPC	03/28/91	06/07/95			
2427011258	ITALY	88300112.5	0274442	Opposed	Licensed to Scott USA LP	Bicycle And Handlebar System (Case 1)
2427011452	EPC	01/08/88				
2427011312	ITALY	89302946.2	0335610	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 2 Closed Loop)
2427011568	EPC	03/23/89	09/29/93			
2427011258	JAPAN	002364/88	1823828	Issued	Licensed to Scott USA LP	Bicycle And Handlebar System (Case 1)
2427011339	ORD	01/08/88	02/10/94			
2427011312	JAPAN	74815/89	1866237	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 2 Closed Loop)
2427011371	CIP	03/27/89	08/26/94			
2427011428	JAPAN	133821/91	2543789	Issued	Licensed to Scott USA LP	Bicycle, Handlebar And Adapter System (Case 4 Drop-In)
2427011479	ORD	03/29/91	07/25/96			
2427011746	TAIWN			Draft	Scott USA Inc.	Quick Connect/Disconnect Coupling

SCHEDULE B

Claims arising in connection with: Verified Complaint for Damages, Declaratory Relief, Temporary Restraining Order and Preliminary and Permanent Injunction and Other Relief filed by Todd Nesler and Greg Nesler with the Bankruptcy Court for the Eastern District of Michigan, Southern Division (Flint) (the "Bankruptcy Court"), relating to U.S. Patent No. 4,435,852 and Reissue Patent No. 32,638, related foreign counterparts, and related copyrights and trademarks (relating to sports goggles and protective eyewear) which was dismissed with prejudice, and related proceedings, including Case No. 96-72745 in the U.S. District Court for the Eastern District of Michigan in Detroit (which was assigned Case No. 97-3007 in the Bankruptcy Court which was dismissed without prejudice.

Matters covered in those certain letters (1) dated March 11, 1998 to Cinelli, S.p.A. and others, and (2) dated March 12, 1998 to Grappo S.p.A. and 3T S.p.A., each from Jenner & Block and each concerning U.S. Patent Nos. 4,750,754 and 4,878,397.

EXHIBIT A

ASSIGNMENT OF PATENTS

WHEREAS, Scott USA Inc., a corporation organized and existing under the laws of the State of Delaware, having a place of business at Ketchum, Idaho, (the "Assignor"), is the owner of the patents and patent applications (the "Patents") identified on the Annex hereto; and

WHEREAS, _____ having a place of business at _____, (the "Assignee"), is desirous of acquiring the Patents;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor grants, assigns, transfers, and conveys unto the Assignee all right, title and interest in and to the Patents, together with all re-issues, continuations, divisions, continuations-in-part, renewals or extensions thereof.

This Assignment of Patents is intended to and shall take effect at such time as the Assignee shall complete this instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Patents below.

[signature page follows]

The foregoing assignment of the Patents by the Assignor to the Assignee is hereby
accepted as of the _____ day of _____.

By: _____
Its _____

ANNEX

Issued and Pending Patents

See attached.

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ANNEX
043098

RECORDED: 05/07/1998

PATENT

189647_1

REEL: 9146 FRAME: 0833