

12-28-1999

U.S. Department of Commerce
Patent and Trademark Office

11/10 12-13-99

101231827

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

The Patriot Company f/k/a H.G. Products, Inc.

Additional name(s) of conveying party(ies) attached?

☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ OtherExecution Date: November 24, 1999

2. Name and address of receiving party(ies):

Name: U.S. Bank National Association

Internal Address:

Street Address: 201 West Wisconsin Ave.City: Milwaukee State: WI Zip: 53259Additional names(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)

B. Patent No.(s)

5,385,308

5,603,459

5,537,807

5,669,563

Additional numbers attached? ☐ Yes ☒ No

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

Name: Adam L. BrookmanGodfrey & Kahn, S.C.

Internal Address:

Street Address: 780 N. Water St.City: Milwaukee State: WI Zip: 53202

6. Total number of patents involved:.....[4]

7. Total fee (37 CFR 3.41):\$ 160.00☒ Enclosed☒ Authorized to be charged to deposit account for any deficiencies8. Deposit account number: 07-1509

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

DO NOT USE THIS SPACE

12/27/1999 DNGUYEN 00000025 5385308

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160.00 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.

Adam L. Brookman

Name of Person Signing

Signature12/9/99
Date

Total Number of pages including cover sheet, attachments, and document: [7]

MW373343_1.DOC

EL PATENT 3861US
REEL: 010452 FRAME: 0155

PATENT SECURITY AGREEMENT

THIS SECURITY AGREEMENT made this 24th day of November, 1999, by The Patriot Company f/k/a H.G. Products, Inc., a Wisconsin corporation with a principal place of business at 944 North 45th Street, Milwaukee, Wisconsin 53208-3178; Thomas W. Gearing, an individual residing at 5572 Point Drive, West Bend, Wisconsin 53095; and Andrew W. Haver, an individual residing at 644 South 7th Avenue, West Bend, Wisconsin 53095, as debtors ("Debtors"), in favor of U.S. Bank National Association, 201 West Wisconsin Avenue, Milwaukee, Wisconsin 53259, as secured party ("Secured Party").

For good and valuable consideration, Debtors hereby agree for the benefit of the Secured Party as follows:

Section 1. Security Interests. Debtors hereby grant the Secured Party a security interest (collectively referred to as the "Security Interests") in the property described below, as security for the payment and performance of each and every debt, liability and obligation of every type and description which Debtors may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred, whether it arises in a transaction involving the Secured Party alone or in a transaction involving other creditors of Debtors and whether it is direct or indirect, due to or become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or sole, joint, several or joint and several, and including specifically, but not limited to, all indebtedness of Debtors arising under any loan or credit agreement between Debtors and the Secured Party, whether now in effect or hereafter entered into, including without limitation, all obligations of Debtors pursuant to certain Promissory Notes identified as follows:

Note 26 --- \$739,893.96 together with interest of \$231.74 per day,
Note 42 --- \$53,055.92 together with interest of \$13.29 per day,
Note 67 --- \$231,119.60 together with interest of \$59.47 per day,
Note 83 --- \$29,168.19 together with interest of \$7.30 per day,
Note 109 --- \$9,403.37 together with interest of \$2.22 per day.

all executed and delivered to Secured Party (all such debts, liabilities and obligations herein collectively referred to as the "Obligations"). The Security Interests shall attach to the following property of Debtors (the "Collateral"):

<u>U.S. Patent No.</u>	<u>Title</u>	<u>Issue Date</u>	<u>Inventors</u>
5,385,308	"Chipper-shredder"	January 31, 1995	Thomas W. Gearing Andrew A. Haver Gerald M. Hoinacki
5,537,807	"Yard-care machine"	July 23, 1996	Thomas W. Gearing Andrew W. Haver

5,603,459	"Chipper-shredder with enhanced user features"	February 18, 1997	Thomas W. Gearing Andrew W. Haver
5,669,563	"Chipper-shredder with use-enhancing features"	September 23, 1997	Thomas W. Gearing Andrew W. Haver

Section 2. Representations, Warranties and Agreements. Debtors represent, warrant and agree that:

(a) Debtors have and will maintain, so long as the Security Interests may remain outstanding, absolute title to each item of Collateral and all proceeds thereof, free and clear of all interests, liens, attachments, encumbrances and security interests except the Security Interests and as otherwise provided herein, and except as the Secured Party may otherwise agree in writing. Debtors will defend the Collateral against all claims or demands of all persons (other than the Secured Party) claiming the Collateral or any interest therein. Debtors will not sell or otherwise dispose of the Collateral or any interest therein without the Secured Party's prior consent.

(b) The place of business of Debtor The Patriot Company f/k/a H.G. Products, Inc. is located at 944 North 45th Street, Milwaukee, Wisconsin 53208-3178, and all the Debtors' records relating to its business or the Collateral are kept at that location. Debtors will not permit any records pertaining to Collateral to be located in any state or area in which a financing statement covering such Collateral would be required to be, but has not in fact been, filed in order to perfect the Security Interests. Debtors will not change their name or the location of their place of business without prior written notice to the Secured Party.

(c) Debtors will take all necessary actions to maintain the Collateral, including the prompt payment of all government maintenance fees or other charges levied or assessed upon or against any Collateral, or upon or against the creation, perfection or continuance of the Security Interests.

(d) Debtors will keep all Collateral free and clear of all security interests, liens and encumbrances except the Security Interests and as otherwise provided herein and except other security interests approved in writing by the Secured Party.

(e) Debtors will keep accurate and complete records pertaining to the Collateral and pertaining to Debtors' business and financial condition, will submit to the Secured Party such periodic reports concerning the Collateral and Debtors's business and financial condition as the Secured Party may from time to time

request, and will permit the Secured Party, or its employees, accountants, attorneys or agents, to examine and copy any or all of its records at any time during Debtors's business hours.

(f) Debtors will promptly notify the Secured Party of any loss of any Collateral or of any substantial adverse change, known to Debtors, in any Collateral.

(g) Upon request by the Secured Party, whether such request is made before or after the occurrence of an Event of Default, Debtors will promptly deliver to the Secured Party all necessary instruments, documents and chattel paper relating to Collateral duly endorsed or assigned by Debtors.

(h) Debtors hereby acknowledge that they executed the five Promissory Notes identified in Section 1 and became obligated thereunder for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged. Debtors Thomas W. Gearing and Andrew W. Haver further acknowledge, as principals, shareholders, employees, and agents of Debtor The Patriot Company f/k/a H.G. Products, Inc., that they received independent value and benefit in exchange for executing the Note and this Security Agreement, obligating themselves thereunder, and by inducing Secured Party to perform as described above.

If Debtors at any time fail to perform or observe any of the foregoing agreements, the Secured Party may, but need not, perform or observe such agreement on behalf and in the name, place and stead of Debtors (or, at the Secured Party's option, in the Secured Party's name) and may, but need not, take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, maintenance fees, the satisfaction of security interests, liens or encumbrances, the execution of assignments, security agreements and financing statements, and the endorsement of instruments); and Debtors shall thereupon pay to the Secured Party on demand the amount of all monies expended and all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Secured Party in connection with or as a result of the performance or observance of such agreements or the taking of such action by the Secured Party, together with interest thereon from the date expended or incurred at the highest lawful rate then applicable under the Note to any of the Obligations. To facilitate the performance or observance by the Secured Party of such agreements of Debtors and Section 3 below, Debtors do hereby make, constitute and appoint any officer or agent of the Secured Party as Debtors's true and lawful attorney-in-fact, in an Event of Default, with power to endorse the name of Debtors or any of Debtors' partners or agents upon any notes, checks, drafts, money orders, or other instruments of payment; to sign and endorse the name of Debtors or any of Debtors' partners or agents upon any assignments, licenses, and any instrument or document relating thereto or to Debtors' rights therein; granting upon Debtors' said attorney full power to do any and all things necessary to be done in and about the premises as fully and effectually as Debtors might or could do, and hereby ratifying all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for

the term of this Agreement and all transactions hereunder and thereafter as long as Debtors may be indebted to the Secured Party.

Section 3. Events of Default. An Event of Default under the Note shall constitute an Event of Default under this Agreement.

Section 4. Remedies. Upon the occurrence of an Event of Default under Section 4 and at any time thereafter, the Secured Party may exercise one or more of the following rights and remedies: (i) declare all unmatured Obligations to be immediately due and payable, without presentment or other notice of demand (but the Secured Party expressly reserves the right to demand payment of any Obligation payable on demand, at any time, whether or not an Event of Default has occurred or is continuing); (ii) exercise and enforce any and all rights and remedies available upon default to a secured party under the Uniform Commercial Code, including without limitation, the right to take possession of Collateral, or any evidence thereof, proceeding without judicial process or by judicial process and the right to sell, lease or otherwise dispose of any or all of the Collateral. If notice to Debtors of any intended disposition of Collateral or any other intended action is required by law in a particular instance, the timing of such notice shall be deemed commercially reasonable if given at least ten (10) calendar days prior to the date of intended disposition or other action; (iii) without notice or demand, offset any indebtedness the Secured Party or any of its participants, successor or assigns then owes to Debtors, whether or not then due, against any Obligation the owed to the Secured Party or any of its participants, successors or assigns by Debtors, whether or not then due; and (iv) exercise or enforce any and all other rights or remedies available by law or agreement against the Collateral, against Debtors, or against any other person or property.

Section 5. Duty of Care. This Agreement constitutes security for the Obligations, and does not secure a sale of accounts, contract rights or chattel paper; therefore, as provided by law, Debtors are entitled to any surplus and shall remain liable for any deficiency. The Secured Party shall not be obligated to preserve any rights Debtors may have against prior parties, to realize on the Collateral at all or in any particular manner or order or to apply any cash proceeds of the Collateral in any particular order of application.

Section 6. Waiver. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interests can be released, only explicitly in a writing signed by the Secured Party. A waiver so signed shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any rights and remedies available to the Secured Party. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly in any order or sequence, or concurrently, at the Secured Party's option. and the exercise or enforcement of any such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtors shall be deemed sufficiently given if delivered or mailed by registered, certified or ordinary mail, postage pre-paid, to Debtors at their most recent address shown on the Secured Party's records.

Section 7. Expenses. Debtors shall pay to the Secured Party on demand any and all

reasonable attorney's fees and other expenses incurred by the Secured Party in connection with the preparation of this Agreement, documents relating thereto or modifications thereof, and any and all expenses, including, but not limited to, all attorneys' fees and expenses, and all other expenses which may be expended by the Secured Party to obtain or enforce payment as against Debtors or any guarantor or surety of Debtors or in the prosecution or defense of any action or concerning any matter growing out of or connected with the subject matter of this Agreement, the Obligations or the Collateral or any of Secured Party's rights or interests therein or thereto, including, without limiting the generality of the foregoing, any counsel fees or expenses incurred in any bankruptcy or insolvency proceedings.

Section 8. Miscellaneous. This Agreement, and the Security Interest granted hereby, shall be binding upon Debtors, their successors and assigns, and shall inure to the benefit of and be enforceable by the Secured Party and each and all of its participants, successors and assigns, and shall be effective when executed by Debtors and delivered to the Secured Party whether or not this Agreement is executed by the Secured Party. All rights and powers specifically conferred upon the Secured Party may be transferred or delegated to any of the participants, successors or assigns of the Secured Party. Except to the extent otherwise required by law, this Agreement and the transaction evidenced hereby shall be governed by the laws of the State of Wisconsin. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement or in any other agreement between Debtors and the Secured Party shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations. Debtors waive notice of the acceptance of this Agreement by Secured Party.

IN WITNESS WHEREOF, this Security Agreement has been duly executed and delivered by the proper officer thereunto duly authorized on the day and year first above written.

DEBTORS:

The Patriot Company f/k/a H.G. Products, Inc.

By: Thomas W. Gearing

Its: President

Thomas W. Gearing
Thomas W. Gearing, an individual

Andrew W. Haver, an individual



SECURED PARTY:

U.S. Bank National Association

By: [Signature]

Its: _____

STATE OF WISCONSIN)

) ss:

COUNTY OF MILWAUKEE)

The foregoing instrument was acknowledged before me this 24th ^{November} day of 1999 by Thomas W. Gearing, an individual, for and on his own behalf; Andrew W. Haver, an individual, for and on his own behalf; Thomas W. Gearing, the President of The Patriot Company f/k/a H.G. Products, Inc. for and on behalf of The Patriot Company f/k/a H.G. Products, Inc.; and _____, the _____ of U.S. Bank National Association, for and on behalf of U.S. Bank National Association.

Paul A. Long
Notary Public My Commission
is permanent.

STATE OF Minnesota)

COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 3rd day of December, 1999 by William P. Sweeney, the Vice President of U.S. Bank National Association, for and on behalf of U.S. Bank National Association.

Diane E. Athmann
Notary Public

My Commission Expires: 1-31-00

