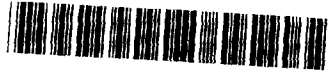


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R SHEET

U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

101443405

Tab settings

To the Honorable Commission

...the attached original documents or copy thereof.

1. Name of conveying party(ies):

N-R Industries, Inc.

07-31-2000

Name and address of receiving party(ies)

Name: Emergent Asset Based Lending, L.L.C.

Internal Address: Attn: Camille Mihalic

U.S. Patent & TMO/PTM Mail RptDt. #26

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

3. Nature of conveyance:

- Assignment  Merger
- Security Agreement  Change of Name
- Other \_\_\_\_\_

Street Address: 100 Painters Mill Road

City: Owings Mills State: MD ZIP: 21117

Execution Date: July 17, 2000

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)

B. Patent No.(s)

5,129,218

Additional numbers attached?  Yes  No

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

Name: Laura Snyder Runyeon

Internal Address: \_\_\_\_\_

Street Address: Miles & Stockbridge

10 Light Street, 8th Floor

City: Baltimore State: MD ZIP: 21202

8. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41).....\$ 90.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

20-0052

(Attach duplicate copy of this page if paying by check)

DO NOT USE THIS SPACE

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.

Christina E Wilson  
Laura Snyder Runyeon

Name of Person Signing

*Christina E Wilson*  
*Laura Snyder Runyeon*

Signature

July 28, 2000

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

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

08/28/2000 DNGUYEN 00100230 200052 5129218

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COLLATERAL ASSIGNMENT OF PATENT AS SECURITY

THIS COLLATERAL ASSIGNMENT OF PATENT AS SECURITY (this "Assignment") is made as of this 17<sup>th</sup> day of July, 2000, by N-R INDUSTRIES, INC., a corporation organized and existing under the laws of the State of Oklahoma (the "Assignor"), in favor of EMERGENT ASSET BASED LENDING, L.L.C., a limited liability company organized and existing under the laws of the State of Maryland (the "Lender").

RECITALS

A. The Assignor applied to Emergent Business Capital Asset Based Lending, Inc., formerly known as Emergent Financial Corp., a corporation formerly organized under the laws of the State of South Carolina ("Emergent") for loans, advances and other financial accommodations under the provisions of that certain Loan and Security Agreement dated as of July 24, 1998 by and between the Assignor and Emergent, as amended by (i) that certain Amendment #1 dated as of September 21, 1999 and (ii) that certain Amendment #2 dated as of November 23, 1999 (as amended, restated, supplemented and modified at any time and from time to time, the "Financing Agreement"). Under and subject to the provisions of the Financing Agreement, Emergent agreed to make loans (collectively, the "Revolving Credit Loans" and individually, a "Revolving Credit Loan") to the Borrower under a revolving credit facility (the "Revolving Loan"). All obligations, liabilities and indebtedness of the Assignor under and in connection with the Financing Agreement and the Revolving Loan are herein collectively referred to as the "Obligations".

B. Emergent assigned to the Lender all of Emergent's rights, title and interest in, to and under the Financing Agreement, the Obligations and all agreements, documents and instruments which evidence, secure or otherwise relate to the Obligations (as amended, restated, supplemented or otherwise modified, the "Financing Documents").

C. As the result of certain existing defaults under and with respect to the Obligations, the Assignor, Irvin G. Johnson, Karen Johnson, Jerry C. Taylor, J&J Railcar Parts & Manufacturing, Inc. and the Lender entered into that certain Limited Forbearance Agreement dated as of June 29, 2000 (as amended, restated, supplemented or otherwise modified, the "Forbearance Agreement").

D. The Assignor has adopted, used and is using that certain patent as listed on SCHEDULE A attached hereto and made a part hereof and has applied for or has pending the patent listed on SCHEDULE A (the "Patent"). As a condition of the Lender's agreement to enter into the Forbearance Agreement, the Assignor has agreed to assign all of its rights, title and interest in and to the Patent as additional security for payment and performance of the Obligations

E. The Lender desires to have the interest of the Lender in the Patent confirmed by a document identifying the same and in such form that it may be recorded in the United States Patent and Trademark Office.

F. As collateral security for the Obligations, whether arising under the Financing Documents or otherwise, the Assignor has agreed to assign to the Lender the Patent and the goodwill of the business associated therewith.

NOW THEREFORE, with the foregoing Recitals being deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

ARTICLE I  
ASSIGNMENT

For good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure all of the Obligations, the Assignor hereby grants, assigns and conveys to the Lender all of its present and future right, title and interest in and to, and grants to the Lender a security interest in, lien on, and collateral assignment of, the Patent, together with all of the Assignor's rights, title and interest in and to (a) any and all inventions and improvements described and claimed in the Patent and patent applications, (b) reissues, divisions, continuations, renewals, extensions and continuations-in-part of the Patent and patent applications, (c) income, royalties, damages, claims and payments now or hereafter due and/or payable under and with respect to the Patent, including, without limitation, damages and payments for past and future infringements, (d) rights to sue for past, present and future infringements of the Patent, and (f) all rights corresponding to any of the foregoing throughout the world.

The foregoing grant, security interest and assignment is a present grant of a collateral assignment and, upon the occurrence of a "Forbearance Default" (as defined in the Forbearance Agreement) and notice to the Assignor from the Lender, and subject to the filing with and notice to the United States Patent and Trademark Office, shall become an absolute assignment in favor of the Lender or in favor of such person as the Lender may designate, and may be the subject of such confirmatory instruments as the Lender may elect, which instruments shall be conclusive evidence of the Forbearance Default and absolute assignment.

ARTICLE II  
REPRESENTATIONS AND WARRANTIES

Section 2.1 Patent Existence.

The Assignor represents and warrants to the Lender that based on the records of the United States Patent and Trademark Office and on the Assignor's knowledge:

2.1.1 The Patent is subsisting and has not been adjudged invalid or unenforceable in the United States.

2.1.2 The Patent is valid and enforceable in the United States.

2.1.3 The Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patent, the Patent is free and clear of any

its own expense, be joined as a nominal party to such suit if the Lender shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. If suit is brought subsequent to a Forbearance Default, the Assignor shall promptly, upon demand, reimburse and indemnify the Lender for all damages, costs and reasonable expenses, including attorneys' fees, as they arise incurred by the Lender in the fulfillment of the provisions of this paragraph.

3.2.4 If the Assignor fails to comply with any of its obligations hereunder in any material respect, the Lender may do so in the Assignor's name or in the Lender's name, but at the Assignor's expense, and the Assignor hereby agrees to reimburse and indemnify the Lender in full for all reasonable expenses, including reasonable attorneys' fees, incurred by the Lender in protecting, defending and maintaining the Patent.

3.2.5 The Assignor will continue to use, for the duration of this Assignment, proper statutory identification in connection with its use of the Patent.

### Section 3.3 Fees and Expenses.

The Assignor agrees to pay to the Lender upon demand as part of the Obligations, any and all reasonable fees, costs and expenses, of whatever kind or nature, including attorney's fees and legal expenses incurred by the Lender in connection with the preparation of this Assignment and of all other documents relating hereto and the consummation of this transaction, 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 costs otherwise incurred in protecting, maintaining or preserving the Patent, or in enforcing the Lender's rights therein or in defending or prosecuting any actions or proceedings arising out of or related to the Patent, shall be borne and paid by the Assignor on demand by the Lender.

## ARTICLE IV EVENTS OF DEFAULT; RIGHTS AND REMEDIES

### Section 4.1 Assignor Use.

Prior to a Forbearance Default (a) the Assignor shall have an exclusive nontransferable right and license to use the Patent and (b) the Lender shall have no right to use the Patent or issue any exclusive or non-exclusive license under the Patent, or assign, pledge or otherwise transfer title in the Patent to any other party. The Assignor agrees not to sell or assign its interest in, or grant any sublicense under, except in the ordinary course of the Assignor's business and only if such sublicensee is provided notice that the sublicense is subject to the terms of this Assignment, or allow any lien to attach to, the license granted to the Assignor in this Section, without the prior written consent of the Lender.

### Section 4.2 Certain Lender Rights.

The Assignor hereby covenants and agrees that the Lender, as assignee hereunder and as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State of Maryland, and under any other applicable law, following a Forbearance Default, upon notice to the Assignor, may terminate the license set forth in Section 4.1 and may take such other action permitted by applicable laws, in its exclusive discretion, to foreclose upon

liens, licenses, and other encumbrances including, without limitation, covenants by the Assignor not to sue third persons in the United States; *except for royalty rights owned by NORMAN YOUNGBERG.*

2.1.4 The Assignor has the right to enter into this Assignment and perform its terms.

### ARTICLE III COVENANTS AND AGREEMENTS

#### Section 3.1 New Agreements, Patent and Consents.

The Assignor covenants that until all the Obligations have been paid and performed in full:

3.1.1 It will not enter into any agreement, including without limitation, license agreements that would have a material adverse effect on the Lender's rights under this Assignment.

3.1.2 It will exercise reasonable supervision over each of its present and future employees, agents and consultants which will enable the Assignor to comply with the covenants herein contained.

3.1.3 If the Assignor obtains rights or becomes entitled to the benefit of any patent, patent application, or patentable invention (other than the Patent), or becomes entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension, the provisions of this Assignment shall automatically apply thereto, and the Assignor shall give the Lender prompt written notice thereof along with an amended SCHEDULE A.

3.1.4 The Assignor shall, at the Lender's request, obtain consents to this Assignment where the Assignor's right to assign the Patent requires such consent.

#### Section 3.2 Maintenance.

3.2.1 The Assignor hereby covenants and agrees to maintain the Patent in full force and effect until all of the Obligations are satisfied in full.

3.2.2 The Assignor shall have the duty to (a) prosecute diligently any patent application that is part of the Patent pending as of the date of this Assignment or thereafter to the extent the value of such application in the Assignor's business justifies such prosecution until the Obligations shall have been satisfied in full, (b) preserve and maintain all rights in such applications and/or the Patent including but not limited to the payment of registration and renewal fees, if any and (c) upon reasonable written request of the Lender, to make federal patent application for patentable inventions. Any expenses incurred in connection with such applications shall be part of the Obligations. The Assignor shall not abandon the Patent or any pending application for patent registration, without the consent of the Lender.

3.2.3 Prior to a Forbearance Default, the Assignor shall have the right to bring suit in its own name to enforce the Patent, in which event the Lender may, if necessary, at

the Patent covered hereby. For such purposes, and in the event of a Forbearance Default hereunder or in the Obligations, the Assignor upon the occurrence of a Forbearance Default hereby authorizes and empowers the Lender to make, constitute and appoint any officer of Lender as the Lender may select, in its exclusive discretion, (with full power of substitution and delegation, in its exclusive discretion), as the Assignor's true and lawful attorney-in-fact, with the power, without notice to the Assignor, to endorse the Assignor's name on all applications, documents, papers and instruments in the name of the Lender or in the name of the Assignor or otherwise, for the use and benefit of the Lender to use the Patent or to grant or issue any exclusive or non-exclusive license under the Patent to anyone else, or necessary for the Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Patent to anyone else. This power of attorney shall be irrevocable for the life of this Assignment, the Financing Agreement, the Financing Documents and other obligations and until all of the Obligations to the Lender are satisfied in full.

Section 4.3 Rights and Remedies.

All rights and remedies herein granted to the Lender shall be in addition to any rights and remedies granted to the Lender under the Financing Documents.

Section 4.4 Re-Vesting of Assignor's Rights.

Upon the full payment and performance of all of the Obligations, the Lender shall, upon the Assignor's request and at the Assignor's expense, execute and deliver to the Assignor all documents reasonably necessary to terminate this Assignment and re-vest in the Assignor full title to the Patent.

Section 4.5 No Waiver.

No course of dealing between the Assignor and the Lender, nor any failure to exercise, nor any delay in exercising, on the part of the Lender, any right, power or privilege hereunder or under the Financing Documents shall operate as a waiver thereof, and all of the Lender's rights and remedies with respect to the Patent, whether established hereby or by the Financing Documents, or by any other future agreements between the Assignor and the Lender or by law shall be cumulative and may be exercised singularly or concurrently.

ARTICLE V  
MISCELLANEOUS

Section 5.1 Severability.

The provisions of this Assignment are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

Section 5.2 Successors and Assigns.

This Assignment shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties and shall specifically inure, without limitation, to

the benefit of each Person who may from time to time be the "Lender" under the Financing Agreement.

Section 5.3 Modification.

This Assignment is subject to modification only by a writing signed by the parties and shall be subject to the terms, provisions, and conditions set forth in the Financing Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

Section 5.4 Captions and Headings.

The section headings in this Assignment are for convenience only, and shall not limit or otherwise affect any of the terms hereof.

Section 5.5 Governing Law.

This Assignment shall be governed by and construed in conformity with the laws of the State of Maryland.

IN WITNESS WHEREOF, the Assignor has executed this Assignment under seal, the day and year first above written.

WITNESS OR ATTEST:

N-R INDUSTRIES, INC.



By: Irvin G. Johnson (SEAL)  
Name: Irvin G. Johnson  
Title: President

Approved and Accepted:



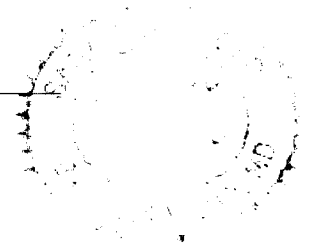
By: Mark R. Emergent  
Name: Mark R. Emergent  
Title: EMERGENT ASSET BASED COMPANY, LLC

ACKNOWLEDGMENT

STATE OF Maryland, ~~DE~~/COUNTY OF Baltimore, TO WIT:

On this 17 day of July, 2000, before me personally appeared Irvin G. Johnson, to me known and being duly sworn, deposes and says that he is the President of N-R INDUSTRIES, INC., an Oklahoma corporation, the Assignor; that he signed the Assignment as President of such corporation pursuant to the authority vested in him by law; that the within Assignment is the voluntary act of such corporation; and he desires the same to be recorded as such.

Sara May Good  
Notary Public



My Commission Expires: 4/03



SCHEDULE A

PATENT

<u>Patent Number.</u>	<u>Date of Patent</u>	<u>Description of Patent</u>
5,129,218	July 14, 1992	Vehicle for use on flat or sloped surfaces – slope mower