
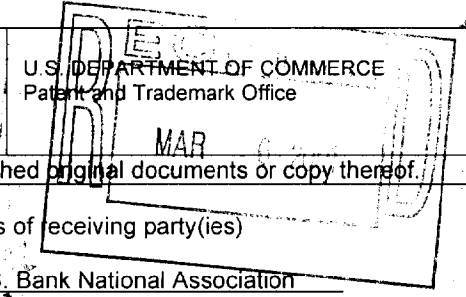


3-6-01

03-23-2001

Docket No. 0241-ASG

FORM PTO 1595 (Rev. 6-93)	RI		101645740	
OMB No. 0651-0011 (exp. 4/94)				

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

1. Name of conveying party(ies): Hi-Qual Manufacturing, USA, Inc.	2. Name and address of receiving party(ies) Name: <u>U.S. Bank National Association</u> Internal Address: _____ Street Address: <u>701 St. Joseph Street</u> City: <u>Rapid City</u> State: <u>South Dakota</u> ZIP: <u>57701</u>
Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____	
Execution Date: <u>1/17/2001</u>	Additional name(s) & address(es) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) <u>5,127,368; 4,957,067; 5,058,531; 5,201,498; 5,138,981; and 5,111,773</u>
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Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>Devan V. Padmanabhan</u> Internal Address: <u>Dorsey & Whitney LLP</u> Street Address: <u>220 South Sixth Street</u> City: <u>Minneapolis</u> State: <u>MN</u> ZIP <u>55402</u>	6. Total Number of applications and patents involved: <u>6</u> 7. Total fee (37 CFR 3.41). <u>\$240.00</u> <input checked="" type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: <u>04-1420</u> (Attach duplicate copy of this page if paying by deposit account)
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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.

<u>Devan V. Padmanabhan</u> Name of person Signing	 Signature	<u>March 5, 2001</u> Date
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03/22/2001 TDI A21 00000096 5127368
01 FC:581 240,34 DP

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

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

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

COLLATERAL ASSIGNMENT OF PATENTS

THIS COLLATERAL ASSIGNMENT OF PATENTS (the "Assignment"), dated as of January 17, 2001, is by and between HI-QUAL MANUFACTURING, USA, INC., a South Dakota corporation (the "Assignor") and U.S. BANK NATIONAL ASSOCIATION, a national banking association (the "Assignee").

WITNESSETH

WHEREAS, the Assignor and the Assignee have entered into a Credit Agreement of even date herewith (the "Credit Agreement"), pursuant to which the Assignee has agreed to extend certain credit accommodations to the Assignor under the terms and conditions set forth therein (all terms capitalized and used herein without being defined shall have the meaning given them in the Credit Agreement);

WHEREAS, the Assignor has pledged and granted to the Assignee a security interest in the property described in a Security Agreement of even date herewith (the "Security Agreement") by and between Assignor and Assignee, which property includes general intangibles, including, without limitation, applications for patents, applications for trademarks, trade names, copyrights, patents, inventions and trade secrets;

WHEREAS, the Assignor owns the patents set forth in Exhibit A attached hereto, and the patents so listed are registered or application has been made for such registration as noted in Exhibit A in the United States Patent and Trademark Office; and

WHEREAS, in order to induce the Assignee to enter into the Credit Agreement and extend the credit accommodations to the Assignor thereunder, and in order to secure the payment and performance of (a) all indebtedness, liabilities and obligations of the Assignor to the Assignee of every kind, nature or description under the Credit Agreement, including the Assignor's obligation on any promissory note or notes under the Credit Agreement and any note or notes hereafter issued in substitution or replacement thereof and (b) all liabilities of the Assignor under this Agreement, the Security Agreement and all obligations secured thereunder, or any other Loan Document or any other agreement between the Assignor and the Assignee, and in all of the foregoing cases whether due or to become due, direct or indirect, absolute or contingent, and whether now existing or hereafter arising or incurred (collectively, the "Secured Obligations"), the Assignor is willing to enter into this Assignment.

NOW, THEREFORE, in consideration of the premises and to induce the Assignee to extend credit accommodations under the Credit Agreement, the parties hereto agree as follows:

1. The Assignor does hereby assign all of its right, title and interest in and to all of the present United States patents and the registrations and applications therefor owned by

the Assignor (the "Patents"), including but not limited to those set forth on Exhibit A, and including, without limitation, all proceeds thereof together with the right to recover for past, present and future infringements, all rights corresponding thereto throughout the world and all renewals and extensions thereof, said Patents to be held and enjoyed by the Assignee, for its own use and behalf, and for its legal representatives, successors and assigns, as fully and entirely as the same would have been held by the Assignor had this Assignment not been made. The foregoing assignment shall be effective only upon the occurrence of an Event of Default under any of the Secured Obligations and upon written notice by the Assignee to the Assignor of the acceptance by the Assignee of this Assignment; unless and until the acceptance of this Assignment, this Assignment shall have no effect. After the occurrence and during the continuation of an Event of Default under any of the Secured Obligations, the Assignee shall be entitled to transfer the Patents pursuant to an Assignment of Patents substantially in the form of Exhibit B. Assignor hereby irrevocably authorizes the Assignee to date these undated Assignments of Patents and otherwise complete such Assignment at time of transfer.

2. The Assignor hereby covenants and warrants that:

(a) except for applications pending, to the best of the Assignor's knowledge, the Patents listed on Exhibit A have been duly issued and are registered and subsisting and have not been adjudged invalid or unenforceable in whole or in part;

(b) to the best of the Assignor's knowledge, each of the Patents listed on Exhibit A is valid and enforceable;

(c) no claim has been made to the Assignor or, to the knowledge of the Assignor, to any other person, that any of the Patents or use of the inventions described therein does or may violate the rights of any third person and no claim has been made by the Assignor that any other person is infringing upon the rights of the Assignor under the Patents;

(d) the Assignor has the unqualified right to enter into this Assignment and perform its terms;

(e) the Assignor will be, until the Secured Obligations shall have been satisfied in full and the Loan Documents shall have been terminated, in compliance with statutory notice requirements relating to the Patents;

(f) to the best of Assignor's knowledge, the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents listed on Exhibit A, free and clear of any liens, charges and encumbrances, including without limitation, licenses and covenants by the Assignor not to sue third persons, except for liens permitted by the Credit Agreement;

(g) the Patents listed on Exhibit A are all of the United States Patents and applications therefor now owned by the Assignor; and

(h) the Assignor will, at any time upon request, communicate to the Assignee, its successors and assigns, any facts relating to the Patents or the history thereof as may be known to the Assignor or its officers, employees and agents, and cause such officers, employees and agents to testify as to the same in any infringement or other litigation at the request of the Assignee.

3. The Assignor agrees that, until the rights of the Assignee in the Patents are terminated pursuant to Section 6, it will not enter into any agreement that is in conflict with its obligations under this Assignment.

4. If, before the Secured Obligations shall have been satisfied in full, the Assignor shall obtain rights to any new patent, or become entitled to the benefit of any patent application, registration or any renewal or extension of any patent registration, such shall be included in the definition of "Patents" as used in this Assignment (except for purposes of Section 2 hereof), Section 1 hereof shall automatically apply thereto, and the Assignor shall give to the Assignee prompt notice thereof in writing. The Assignor authorizes the Assignee to modify this Assignment by amending Exhibit A to include any future patent.

5. The Assignor agrees not to sell, assign or encumber its interest in, or, without the prior written consent of the Assignee which will not be unreasonably withheld, grant any license with respect to, any of the Patents, except for the licenses listed on Exhibit C attached hereto.

6. The Assignor agrees that it will authorize, execute and deliver to Assignee all documents requested by Assignee to facilitate the purposes of this Assignment, including, but not limited to, documents required to record Assignee's interest in any appropriate office in any domestic or foreign jurisdiction. At such time as the Secured Obligations shall have been terminated in accordance with their terms, the Assignee shall on demand of the Assignor execute and deliver to the Assignor all termination statements and other instruments as may be necessary or proper to terminate this Assignment and assign to the Assignor all the Assignee's rights in the Patents, subject to any disposition thereof which may have been made by the Assignee pursuant hereto or pursuant to the Secured Obligations.

7. The Assignor shall have the duty, through counsel reasonably acceptable to the Assignee, (i) to prosecute diligently any pending Patent application as of the date of this Assignment or thereafter until the Secured Obligations shall have been terminated in accordance with their terms; provided, that the Assignor may abandon any such application upon thirty days' written notice to the Assignee, (ii) to make application on those patentable inventions, products and processes which are unregistered but capable of being registered and which a prudent person would reasonably cause to be registered and (iii) to preserve and maintain all rights in all Patents which a prudent person would reasonably preserve and maintain. Any expenses incurred in

connection with applications that constitute Patents shall be borne by the Assignor. The Assignor shall not abandon any application presently pending that constitutes a Patent without the written consent of the Assignee.

8. The Assignee shall have the right but shall in no way be obligated to bring suit in its own name to enforce or to defend the Patents and any license thereunder if the Assignor has failed to bring such suit in circumstances in which a prudent person would have brought such suit. The Assignor shall at the request of the Assignee do any and all lawful acts and execute any and all proper documents required by the Assignee in aid of such enforcement or defense (including, without limitation, participation as a plaintiff or defendant in any proceeding) and, if Assignor has failed to bring such suit in circumstances in which a prudent person would have brought such suit, the Assignor shall promptly, upon demand, reimburse and indemnify the Assignee for all reasonable costs and expenses incurred by the Assignee in the exercise of its rights under this Section.

9. This Assignment shall also serve to evidence the security interest in the Patents granted by the Assignor to the Assignee pursuant to the Security Agreement.

10. No course of dealing between the Assignor and the Assignee, failure to exercise, nor any delay in exercising, on the part of the Assignee, with respect to any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. All of the Assignee's rights and remedies with respect to the Patents, whether established hereby, by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

12. This Assignment is subject to modification only by a writing signed by the parties, except as provided in Section 4 hereof.

13. This Assignment shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

14. Upon payment in full of all Secured Obligations (other than Assignor's unmatured indemnity obligations under any Loan Document) and the expiration of any obligation of the Assignee to extend credit accommodations to the Assignor, this Assignment shall terminate and all rights to the Patents shall revert to the Assignor.

15. THIS ASSIGNMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF) OF (I) THE UNITED STATES OF AMERICA AS TO RIGHTS AND INTERESTS HEREUNDER WHICH ARE REGISTERED OR FOR THE

REGISTRATION OF WHICH APPLICATION IS PENDING WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE AND (II) THE STATE OF MINNESOTA IN ALL OTHER RESPECTS. WHENEVER POSSIBLE, EACH PROVISION OF THIS ASSIGNMENT AND ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS ASSIGNMENT OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE HELD TO BE PROHIBITED OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS ASSIGNMENT OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO. IN THE EVENT OF ANY CONFLICT WITHIN, BETWEEN OR AMONG THE PROVISIONS OF THIS ASSIGNMENT, ANY OTHER LOAN DOCUMENT OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR THEREBY OR RELATING HERETO OR THERETO, THOSE PROVISIONS GIVING THE ASSIGNEE THE GREATER RIGHT SHALL GOVERN.

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IN WITNESS WHEREOF, the Assignor has executed this instrument.

HI-QUAL MANUFACTURING, USA, INC.

By *Peter C Lien*
Peter C. Lien, ~~Treasurer~~
SECRETARY

Signature Page to Collateral Assignment of Patents

EXHIBIT A TO
COLLATERAL ASSIGNMENT OF PATENTS

UNITED STATES PATENTS

Title	Filing Date	Patent No./App. No.	Issue Date
Feeder for Animals		5,127,368	July 7, 1992
Feeder for Animals		4,957,067	September 18, 1990
Feeder for Animals		5,058,531	October 22, 1991
Flexible Fencing System		5,201,498	April 13, 1993
Animal Confinement Pen (Maternity Pen)		5,138,981	August 18, 1992
Squeeze Chute		5,111,773	May 12, 1992

ASSIGNMENT OF PATENTS

WHEREAS, HI-QUAL MANUFACTURING, USA, INC., a South Dakota corporation (hereinafter "Assignor"), is the owner by assignment of the entire right, title and interest in and to certain United States Letters Patent, together with the invention(s) disclosed therein.

WHEREAS, _____, of _____ (hereinafter "Assignee"), is desirous of acquiring the entire right, title, and interest in and to the aforesaid Letters Patent, together with the invention(s) disclosed therein, any and all causes of action and rights of recovery for past infringements of said Letters Patent, and all of the rights vested in said Assignor herein by virtue of the instruments of assignment and/or by virtue of other instruments pursuant to which Assignor became vested with said ownership, including the right, title, and interest in and to any and all improvements acquired pursuant to the terms of said instruments of assignment.

NOW, THEREFORE, for good and valuable consideration received by Assignor from Assignee, the receipt in full of which is hereby acknowledged,

1. Said Assignor hereby sells, assigns, transfers and conveys unto said Assignee the entire right, title and interest in and to said Letters Patent of the United States together with the invention(s) disclosed therein, including each and every Letters Patent which is granted on any application which is a division, substitution or continuation of said Letters Patent, and in and to each and every reissue or extension of said Letters Patent.
2. Said Assignor further sells, assigns, transfers and conveys unto said Assignee the entire right, title and interest in and to any and all causes of action and rights of recovery for past infringement of the Letters Patent herein assigned, except for such rights, if any, as may be held by U.S. Bank National Association, its successors and assigns.
3. The terms, covenants and provisions of this Assignment shall inure to the benefit of Assignee, its successors, assigns, and/or legal representatives, and shall be binding upon said Assignor, its successors, assigns and/or other legal representatives.
4. Said Assignor hereby irrevocably authorizes U.S. Bank National Association to date this undated Assignment and otherwise complete this Assignment at the time of transfer.

PATENT LICENSES

Licensee

Date License Expires

NONE

IN WITNESS WHEREOF, said _____ has executed and delivered
this instrument this ____ day of _____.

HI-QUAL MANUFACTURING, USA, INC.

By _____

Title _____