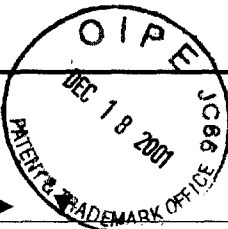


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12-21-2001



101923626

Docket No.:

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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

1. Name of conveying party(ies):
Excel Industries, Inc.

Additional names(s) of conveying party(ies) ☐ Yes ☒ No

3. Nature of conveyance:

12/18/01

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other Patent Assignment and Security Agreement

Execution Date: **December 10, 2001**

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

Name: **U.S. Bank National Association**

Internal Address:

Street Address: **425 Walnut Street**

City: **Cincinnati** State: **OH** ZIP: **45202**

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

4. Application number(s) or registration numbers(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 I

B. Patent No.(s)

See Attached

Schedule I

Additional numbers attached? ☒ Yes ☐ No

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

Name: **Jean Marc Brun, Esquire**

Internal Address:

Vorys Sater Seymour and Pease, LLP

Street Address: **1828 L Street, N.W.**

11th Floor

City: **Washington** State: **DC** ZIP: **20036**

6. Total number of applications and patents involved:

17

7. Total fee (37 CFR 3.41):.....\$ **680.00**

- ☒ Enclosed - Any excess or insufficiency should be credited or debited to deposit account
☐ Authorized to be charged to deposit account

8. Deposit account number:

22-0585

12/20/2001 DBYRNE 00000122 6073430

DO NOT USE THIS SPACE

01 FC:581

680.00 OP

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.

Jean-Marc Brun

Name of Person Signing

Signature

December 17, 2001

Date

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

14

PATENT

REEL: 012376 FRAME: 0144

Schedule I to Patent Security Agreement

PATENTS

<u>Patent</u>	<u>Patent No.</u>	<u>Description</u>
1.	6,073,430	Rotary mower up-flow cutting deck
2.	5,913,802	Single lever drivewheel steering power lawn mower
3.	D345,741	Multi-purpose tractor
4.	5,090,512	Four-wheel coordinated steering multi-purpose tractor
5.	4,957,183	4-wheel coordinated steering multi-purpose tractor
6.	4,916,887	Rotary mulching mower
7.	4,691,784	Lawn edger attachment for tractors
8.	4,629,006	Lawn edger attachment for tractors
9.	4,497,160	Mower with lateral extension wings
10.	4,487,007	Storage box for mower clippings
11.	4,266,617	Tractor with full-floating tool bar
12.	4,226,074	Lawnmower deck
13.	4,204,576	Soil aerating device
14.	4,200,155	Lawn edger attachment
15.	4,103,477	Grass and leaf collector and compactor attachment for mowers
16.	4,069,649	Grass and leaf collector and compactor attachment for mowers
17.	4,046,200	Lawn edger attachment

ordinary course of Borrower's business, provided that such license is necessary or desirable in the conduct of Borrower's business;

(ii) create or suffer to exist any Liens upon or with respect to any of the Trademark Collateral or the License except to the extent, if any, as otherwise disclosed in Schedule I, or to the extent, if any, as otherwise expressly permitted by the Financing Agreement; or

(iii) take any other action in connection with any of the Trademark Collateral or the License that could impair the value of the interests or rights of Borrower or the Bank in, to or under the Trademark Collateral or the License.

7. POWER OF ATTORNEY. Borrower hereby irrevocably appoints the Bank as Borrower's attorney-in-fact, with full authority in Borrower's place, stead and on behalf of Borrower and in Borrower's name or otherwise, from time to time in the Bank's sole and absolute discretion, to take any action and to execute any instrument that the Bank may deem necessary or advisable to accomplish the purposes of this Agreement, including:

(i) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any and all of the Trademark Collateral;

(ii) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (i) above; and

(iii) to file any claims or take any action or institute any proceedings that the Bank may deem necessary or desirable for the collection of any of the Trademark Collateral or otherwise to enforce the rights of the Bank with respect to any of the Trademark Collateral or the License.

8. THE BANK MAY PERFORM.

8.1 Performance by the Bank. If Borrower fails to perform any of its obligations contained in this Agreement, the Bank may itself perform, or cause the performance of, such obligations, and the expenses of the Bank incurred in connection therewith shall be payable by Borrower under Section 11.2 of this Agreement.

8.2 Inspections. The Bank, or its designated representatives, shall have the right, at all times to inspect Borrower's premises and to examine Borrower's books, records and operations relating to the Trademark Collateral.

8.3 The Bank May Bring Suit. The Bank will have the right, but in no way will be obligated, to bring suit in its own name or in the name of Borrower to enforce any part of the Trademark Collateral or the Trademark License Rights. Borrower will at the reasonable request of the Bank do any and all lawful acts and sign any and all proper documents required by the Bank in aid of the Bank's enforcement actions. On the Bank's demand, Borrower will promptly

reimburse and indemnify the Bank for all costs and expenses incurred by the Bank in the exercise of its rights under this Section 8.

9. THE BANK'S DUTIES. The powers conferred on the Bank under this Agreement are solely to protect its interests in the Trademark Collateral and the License and shall not impose any duty upon the Bank to exercise any such powers. Except for the safe custody of any Trademark Collateral in its custody and possession and the accounting for moneys actually received by it hereunder, the Bank will have no duty as to any of the Trademark Collateral, the License or as to the taking of any necessary steps to preserve rights against other parties or any other rights pertaining to any Trademark Collateral. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of the Trademark Collateral and the License in its possession if the Trademark Collateral and the License are accorded treatment substantially equal to that which the Bank accords its own property.

10. REMEDIES. If any Event of Default occurs and is continuing:

(i) The Bank may exercise in respect of the Trademark Collateral and the License, in addition to other rights and remedies provided for in this Agreement or otherwise available to the Bank, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Trademark Collateral) and also may (a) exercise any and all rights and remedies of Borrower under or otherwise in respect of either the Trademark Collateral or the License, or both; (b) require Borrower to, and Borrower, at its expense, will immediately on the Bank's request, assemble all or any part of the documents embodying the Trademark Collateral as directed by the Bank and make the documents available to the Bank at a place to be designated by the Bank which is reasonably convenient to both the Bank and Borrower; (c) license the Trademark Collateral or any part thereof, or assign its rights to the Trademark License Rights to any Person, and (d) without notice, except as specified below, sell the Trademark Collateral or any part thereof at public or private sale, at any of the Bank's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Bank may deem commercially reasonable. In the event of any sale, assignment, or other disposition of any of the Trademark Collateral, the goodwill of the business connected with and symbolized by any Trademark Collateral subject to such disposition shall be included, and Borrower will supply to the Bank or its designee Borrower's know-how and expertise relating to the manufacture and sale of products or the provision of services relating to any Trademark Collateral subject to such disposition, and Borrower's customer lists and other records relating to such Trademark Collateral and to the distribution of such products and services. Borrower agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to Borrower of the time and place of any public sale or of the time after which any private sale is to be made shall constitute reasonable notification. The Bank shall not be obligated to make any sale of any Trademark Collateral regardless of notice of sale having been given. The Bank may adjourn any public or private sale from time to time by announcement at the time and place fixed for the sale, and any sale may, without further notice, be made at the time and place to which it was so adjourned.

(ii) All payments received by Borrower under or in connection with any of the Trademark Collateral or the License shall be received in trust for the benefit of the Bank, shall be

segregated from other funds of Borrower and shall be immediately paid over to the Bank in the same form as so received (with any necessary indorsement) in accordance with the Financing Agreement.

(iii) All payments made under, in connection with or otherwise in respect of, the Trademark Collateral or the License and all cash proceeds received by the Bank in respect of any sale of, collection from, or other realization upon all or any part of the Trademark Collateral or the License may, in the discretion of the Bank, be held by the Bank as collateral for, and then or at any time thereafter applied (after payment of any amounts payable to the Bank pursuant to Section 11.2 of this Agreement) in whole or in part by the Bank against, all or any part of the Obligations in any order as the Bank may elect. Any surplus of any cash or cash proceeds held by the Bank and remaining after payment in full of all of the Obligations shall be paid over to Borrower or to whomsoever may be lawfully entitled to receive such surplus.

11. INDEMNIFICATION; EXPENSES.

11.1 Indemnification. In consideration of the execution and delivery of the Financing Agreement and the making of any Loan to Borrower, Borrower hereby indemnifies and holds the Bank and the Bank's officers, directors, Affiliates, and agents (for the purposes of this Section 11.1, each is an "Indemnified Party") harmless from and against any and all claims, losses and liabilities arising out of or resulting from any or all of (i) this Agreement, (ii) the transactions contemplated hereby (including enforcement of this Agreement), and (iii) the Trademark Collateral and License except for claims, losses or liabilities resulting from an Indemnified Party's negligence or willful misconduct. The indemnification provided for in this Section 11.1 is in addition to, and not in limitation of, any other indemnification or insurance provided by Borrower to the Bank.

11.2 Expenses. Borrower will upon demand pay to the Bank the amount of any and all reasonable expenses, including reasonable attorneys' fees which the Bank may incur in connection with any and all of the following (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Trademark Collateral and the License, (iii) the exercise or enforcement of any of the Bank's rights under this Agreement, or (iv) the failure by Borrower to perform or observe any of the provisions of this Agreement, all of which constitute part of the Obligations and are secured by the Trademark Collateral.

12. AMENDMENTS; WAIVERS; CONSENTS. No amendment or waiver of any provision of this Agreement nor consent to any departure by Borrower herefrom shall, in any event, be effective unless such amendment or waiver shall be in writing and signed by the Bank, and then such amendment or waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

13. NOTICES. Any notice or notification required, permitted or contemplated under this Agreement shall be in writing, shall be addressed and given to the party to be notified at the address set forth in, and in the manner required by the Financing Agreement.

14. GENERAL.

14.1 Continuing Rights. This Agreement creates a continuing assignment to the Bank of the Trademark License Rights and a continuing Lien on the Trademark Collateral and the License and shall (i) remain in full force and effect until the full and final payment in full of the Obligations, (ii) be binding upon Borrower, its successors and assigns, and (iii) inure, together with the rights and remedies of the Bank under this Agreement, to the benefit of the Bank's successors, transferees and assigns.

14.2 Term; The Trademark Collateral and the License Revert. Subject to Section 14.10 below, this Agreement will terminate on the later to occur of (i) the full performance, payment and satisfaction of the Obligations and (ii) the termination of the Financing Agreement, at which time the Lien granted, by this Agreement shall terminate and all rights to the Trademark Collateral and the License shall revert to Borrower. Upon any such termination, the Bank will, at Borrower's expense, execute and deliver to Borrower such documents as Borrower reasonably requests to evidence such termination and to reassign the Trademark Collateral together with the goodwill of the business relating to the Trademark Collateral to Borrower.

14.3 Severability. If any term of this Agreement is found invalid under Ohio law or other laws of mandatory application by a court of competent jurisdiction, the invalid term will be considered excluded from this Agreement and will not invalidate the remaining terms of this Agreement.

14.4 Governing Law. THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE AT CINCINNATI, OHIO. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF OHIO (WITHOUT REGARD TO OHIO CONFLICTS OF LAW PRINCIPLES); PROVIDED THAT THE BANK SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

14.5 WAIVER OF JURISDICTION. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR THE BANK TO EXTEND CREDIT TO BORROWER, BORROWER AGREES THAT ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS AGREEMENT, ITS VALIDITY OR PERFORMANCE, AT THE SOLE OPTION OF THE BANK, ITS SUCCESSORS AND ASSIGNS, AND WITHOUT LIMITATION ON THE ABILITY OF THE BANK, ITS SUCCESSORS AND ASSIGNS, TO EXERCISE ALL RIGHTS AS TO THE TRADEMARK COLLATERAL OR INITIATE AND PROSECUTE IN ANY APPLICABLE JURISDICTION ACTIONS RELATED TO REPAYMENT OF THE OBLIGATIONS, SHALL BE INITIATED AND PROSECUTED AS TO ALL PARTIES AND THEIR SUCCESSORS AND ASSIGNS AT CINCINNATI, OHIO. THE BANK AND BORROWER EACH CONSENTS TO AND SUBMITS TO THE EXERCISE OF JURISDICTION OVER ITS PERSON BY ANY COURT SITUATED AT CINCINNATI, OHIO HAVING JURISDICTION OVER THE SUBJECT MATTER, AND CONSENTS THAT ALL SERVICE OF PROCESS BE MADE BY CERTIFIED MAIL DIRECTED TO BORROWER AND THE BANK AT THEIR RESPECTIVE ADDRESSES SET FORTH IN THE FINANCING AGREEMENT OR AS OTHERWISE PROVIDED

UNDER THE LAWS OF THE STATE OF OHIO. BORROWER WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER, AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

14.6 Headings. Section headings in this Agreement are included for convenience of reference only and shall not relate to the construction or interpretation of this Agreement.

14.7 Entire Agreement. This Agreement and the other Loan Documents set forth the entire agreement of the parties with respect to subject matter of this Agreement and supersedes all previous understandings, written or oral, in respect thereof.

14.8 Assignment. The Bank shall have the right to assign this Agreement and the other Loan Documents. Borrower may not assign, transfer or otherwise dispose of any of its rights or obligations hereunder, by operation of law or otherwise, and any such assignment, transfer or other disposition without the Bank's written consent shall be void. All of the rights, privileges, remedies and options given to the Bank under the Loan Documents shall inure to the benefit of the successors and assigns of the Bank, and all the terms, conditions, covenants, provisions and warranties in this Agreement shall inure to the benefit of and bind the permitted successors and assigns of Borrower and the Bank, respectively.

14.9 Application of Payments; Revival of the Obligations. The Bank shall have the continuing right to apply or reverse and reapply any payments to any portion of the Obligations. To the extent Borrower makes a payment or payments to the Bank or the Bank receives any payment or proceeds of the Trademark Collateral or any other security for Borrower's benefit, which payment(s) or proceeds or any part thereof are subsequently voided, invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or federal law, common law or equitable cause, then, to the extent of such payment(s) or proceeds received, the Obligations or part thereof intended to be satisfied shall be revived and shall continue in full force and effect, as if such payment(s) or proceeds had not been received by the Bank.

14.10 Survival and Continuation of Representations and Warranties. All of Borrower's representations and warranties contained in this Agreement shall (i) survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto, and (ii) remain true until the Obligations are fully performed, paid and satisfied, made by Borrower with the same effect as though the representations and warranties had been made again on, and as of, each day of the term of this Agreement, subject to such changes as may not be prohibited hereby, do not constitute Events of Default, and have been consented to by the Bank in writing.

14.11 Conflict. If there is any conflict, ambiguity, or inconsistency, in the Bank's judgment, between the terms of this Agreement and any other Loan Documents, then the applicable terms and provisions, in the Bank's judgment, providing the Bank with greater rights, remedies, powers, privileges, or benefits will control. Without limiting the generality of the foregoing, the description of the Trademark Collateral in this Agreement does not in any way

limit the description of, or the Bank's Lien on, the "Collateral" as defined in the Security Agreement, or the Bank's remedies respecting the "Collateral."

14.12 WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR THE BANK TO EXTEND CREDIT TO BORROWER, BORROWER AND THE BANK EACH WAIVES TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS AGREEMENT OR THE CONDUCT OF THE RELATIONSHIP BETWEEN THE BANK AND BORROWER.

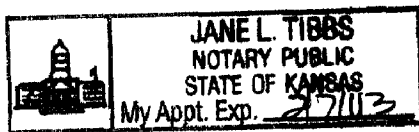
IN WITNESS WHEREOF, Borrower has signed this Agreement as of December 10, 2001.

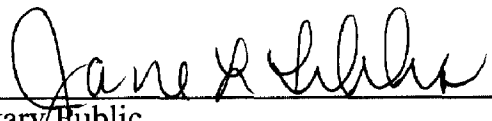
EXCEL INDUSTRIES, INC.

By: 
Robert A. Mullet, Vice-President and Treasurer

STATE OF KANSAS,
COUNTY OF SEDGWICK, SS:

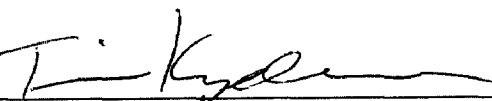
The foregoing instrument was acknowledged before me this 10th day of December, 2001, by Robert A. Mullet, Vice-President and Treasurer of and on behalf of Excel Industries, Inc., a Kansas corporation.




Notary Public

Accepted as of December 12, 2001.

U.S. BANK NATIONAL ASSOCIATION

By: 
Name: Tim Kyndeson
Title: V.P.

Schedule 1 to Trademark Security Agreement

TRADEMARKS

<u>TM</u>	<u>App.Date</u>	<u>Ser. No.</u>	<u>Reg. No.</u>	<u>Date Reg.</u>
Excel & Design	8/2/84	73,493,062	1,360,128	9/17/85
Excel & Design	1/21/92	74,239,227	1,717,536	9/22/92
Hustler	1/30/95	74,627,457	1,985,194	7/9/96
Shortcut	5/20/97	75,295,228	2,232,866	3/16/99
H-Bar	6/19/97	75,311,665	2,217,900	1/12/99
UpperCut	10/21/98	75,574,760	2,307,355	1/11/00
Super Z	3/14/01	76,223,847		
FasTrak	10/03/01	78,086,756		
Professional mowing comes home.	11/10/01			

PATENT ASSIGNMENT AND SECURITY AGREEMENT

THIS PATENT ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement") is made between EXCEL INDUSTRIES, INC., a Kansas corporation, having an office at 200 South Ridge Road, Hesston, Kansas 67062-2097 ("Borrower"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association ("Bank" or "the Bank").

WITNESSETH

WHEREAS, Borrower and the Bank have entered into a Financing Agreement of even date herewith, providing for the making of Loans (as defined in the Financing Agreement) and the issuance of Letters of Credit (as defined in the Financing Agreement) (as used in this Agreement, the term "Financing Agreement" means the Financing Agreement described above in this paragraph, as the same may be amended, modified, extended, renewed, replaced or supplemented from time to time);

NOW THEREFORE, in consideration of the foregoing and other benefits accruing to Borrower, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby covenants and agrees with, and makes the following representations and warranties to the Bank, as follows:

1. DEFINITIONS.

1.1 Financing Agreement. Any capitalized term used but not defined in this Agreement shall have the meaning ascribed thereto in the Financing Agreement.

1.2 Other Definitional Provisions; Construction. Unless otherwise specified,

(i) As used in this Agreement, accounting terms relating to Borrower not defined in this Agreement have the respective meanings given to them in accordance with GAAP.

(ii) References to the Uniform Commercial Code, or UCC, mean as enacted in the particular jurisdiction(s) encompassed by the reference.

(iii) The definition of any document or instrument includes all schedules, attachments and exhibits thereto and all renewals, extensions, supplements, restatements and amendments thereof. All Exhibits and Schedules attached to this Agreement are incorporated into, made and form an integral part of, this Agreement for all purposes.

(iv) "Hereunder," "herein," "hereto," "this Agreement" and words of similar import refer to this entire document; "including" is used by way of illustration and not by way of limitation, unless the context clearly indicates the contrary; the singular includes the plural and conversely; and any action required to be taken by Borrower is to be taken promptly, unless the context clearly indicates the contrary.

(v) All of the uncapitalized terms contained in this Agreement which are defined under the Code will, unless the context indicates otherwise, have the meanings provided for now or hereafter in the Code.

2. GRANT. As security for the full, prompt and complete performance of the Obligations, Borrower hereby grants, assigns and conveys to the Bank Borrower's entire right, title and interest in, to and under the Patent Collateral. As used in this Agreement, "Patent Collateral" means, collectively, (i) all of Borrower's right, title and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed patents and patent applications, including the inventions and improvements described and claimed in those patents and patent applications and the patents listed on Schedule I which is attached and made a part of this Agreement (the property in this item (i) being collectively, the "Patents"); (ii) the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any and all of the Patents; (iii) all income, royalties, damages and payments now and in the future due or payable under and with respect to any and all of the Patents, including damages and payments for past or future infringements of any and all of the Patents; (iv) the right to sue for past, present and future infringements of any and all of the Patents; (v) all rights corresponding to any and all of the Patents throughout the world; and (vi) all rights of Borrower as licensor or licensee under, and with respect to, any patents and patent applications, including the licenses listed on Schedule I (Borrower's rights as licensor or licensee sometimes referred to in this Agreement collectively as "Patent License Rights").

3. LICENSE; SECURITY INTEREST.

3.1 License by the Bank. In consideration of Borrower's agreement to perform, comply with, and observe each of the terms of this Agreement and to pay and discharge the Obligations, the Bank grants, without recourse, to Borrower a personal, non-transferable exclusive license (without any representation or warranty of any kind), with the right to sublicense, under each patent application and patent included in the Patent Collateral to make, to have made, to use and to sell the subject matter claimed in each patent application and patent included in the Patent Collateral, and to exercise the Patent License Rights (collectively, the "License"); however, Borrower may not enter into any sublicense unless the sublicense is subject to the terms and conditions of this Agreement, including the termination provisions in Section 3.2 below and the sublicense is necessary or appropriate in the ordinary course of Borrower's business as presently conducted by it.

3.2 Event of Default. If an Event of Default occurs and the Bank delivers to Borrower notice terminating the License: (i) the License will automatically and immediately terminate without any further notice or demand (which Borrower expressly waives), (ii) all rights and interests of Borrower in, to and under the License will revert to the Bank, (iii) all rights of Borrower in the Patent Collateral will cease to exist and will be void and (iv) the Bank shall have all other rights and remedies provided in this Agreement and in the other Loan Documents. If the Event of Default is cured to the Bank's satisfaction or is waived in writing by the Bank, then, without any further action on the part of the Bank, the License will immediately revert with Borrower on the cessation of the Event of Default subject to the terms of this Agreement.

3.3 Security Interest in the License. As security for the full and prompt payment and performance of all of the Obligations, Borrower hereby assigns, pledges and grants to the Bank a continuing security interest in all of the right, title and interest of Borrower in and to the License.

4. REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants that:

(i) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patent Collateral and the License, free and clear of any Liens, except as otherwise disclosed on Schedule I.

(ii) Set forth in Schedule I is a complete and accurate list of all patents, patent applications, and Patent License Rights owned by Borrower.

(iii) Each patent and patent application identified in Schedule I is subsisting and has not been adjudged invalid, unpatentable, or unenforceable, in whole or in part, and is enforceable, except as otherwise disclosed on Schedule I.

(iv) Borrower has not granted any license, release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Patent Collateral except as otherwise disclosed on Schedule I.

(v) To the best of Borrower's knowledge, the current conduct of Borrower's business does not conflict with or infringe any proprietary right enforceable at law of any Person in any way which materially and adversely affects the business, financial condition or business prospects of Borrower or its Affiliates, and, except as disclosed in Schedule I, no one has asserted to Borrower or its Affiliates that the conduct of Borrower's business conflicts with or infringes any valid proprietary right of any Person in any way which materially adversely affects the business, financial condition or business prospects of Borrower.

(vi) The Patent License Rights are in full force and effect, and Borrower is not in default under any of the Patent License Rights, and no event has occurred which with notice, the passage of time, the satisfaction of any condition, or all of them, might constitute a default by Borrower under the Patent License Rights.

(vii) Except for the recording of this Agreement with the United States Patent and Trademark Office and the filing of applicable perfecting documents with the State of Kansas, no authorization, consent, approval or other action by, and no notice to or filing or recording with, any Governmental Authority is currently or is reasonably expected to be required either (a) for the grant by Borrower of the Lien granted hereby or for the execution, delivery or performance of this Agreement by Borrower, or (b) for the perfection of or the exercise by the Bank of its rights and remedies under this Agreement.

5. FURTHER ASSURANCES.

5.1 Required Borrower Actions. Borrower will from time to time, at its expense, promptly execute and deliver all further instruments, documents and agreements take all further action, that may be necessary or desirable, or that the Bank may reasonably request, in order to (i) continue, perfect and protect the security interests and Liens granted or purported to be granted by this Agreement or (ii) enable the Bank to exercise and enforce its rights and remedies under this Agreement with respect to any part of the Patent Collateral and the License, or both.

5.2 Financing Statements. Without limiting the generality of Section 5.1, the Bank is authorized by Borrower (i) to file one or more financing statements disclosing Bank's security interest and Lien under this Agreement without Borrower's signature appearing thereon and to correct or complete, or to cause to be corrected or completed, any financing statements, continuation statements or other such documents as have been filed naming Borrower as debtor and Bank as secured party and (ii) to give notice to any creditor or landlord of Borrower or to any other Person to whom Bank may reasonably determine it is necessary or desirable under applicable law to give notice to perfect or preserve Bank's interests in the Patent Collateral. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Patent Collateral or any part thereof or the License will be sufficient as a financing statement.

5.3 Further Information. Borrower will furnish to the Bank from time to time statements and schedules further identifying and describing the Patent Collateral and the License, including any sublicensing of Patent Collateral by Borrower, and all other reports in connection with the Patent Collateral and the License as the Bank may reasonably request, all in reasonable detail.

5.4 Additional Ownership Interests. Borrower agrees that, should it obtain an ownership interest in any patent, patent application or Patent License Rights which is not now identified in Schedule I, (i) Borrower will give prompt written notice to the Bank, (ii) the provisions of Section 2 shall automatically apply to the patent, patent application and Patent License Rights acquired or obtained, and (iii) the patent, patent application and Patent License Rights will automatically become part of the Patent Collateral. Borrower authorizes the Bank to modify this Agreement by amending Schedule I to include any patents, patent applications and Patent License Rights which become part of the Patent Collateral under this Section 5.4.

5.5 Maintenance of Rights. With respect to any patent, patent application or Patent License Rights necessary to the conduct of Borrower's business as reasonably determined by Borrower from time to time, Borrower will take all necessary steps in any proceeding before the United States Patent and Trademark Office (or any similar office or agency in any other country or any political subdivision of that country) or in any court (i) to maintain and pursue any patent application now or in the future included in the Patent Collateral and (ii) to maintain each patent now or in the future included in the Patent Collateral, including the filing of divisional, continuation, continuation-in-part and substitute applications; the filing of applications for reissue, renewal or extensions; the payment of maintenance fees, and the participation in reexamination, opposition, interference and infringement proceedings.. Any expenses incurred

(i) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any and all of the Patent Collateral;

(ii) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (i) above; and

(iii) to file any claims or take any action or institute any proceedings that the Bank may deem necessary or desirable for the collection of any of the Patent Collateral or otherwise to enforce the rights of the Bank with respect to any of the Patent Collateral or the License.

8. THE BANK MAY PERFORM.

8.1 Performance by the Bank. If Borrower fails to perform any of its obligations contained in this Agreement, the Bank may itself perform, or cause the performance of, such obligations, and the expenses of the Bank incurred in connection therewith shall be payable by Borrower under Section 11.2 of this Agreement.

8.2 Inspections. The Bank, or its designated representatives, shall have the right, at all times to inspect Borrower's premises and to examine Borrower's books, records and operations relating to the Patent Collateral.

8.3 The Bank May Bring Suit. The Bank will have the right, but in no way will be obligated, to bring suit in its own name or in the name of Borrower to enforce any part of the Patent Collateral. Borrower will at the reasonable request of the Bank do any and all lawful acts and sign any and all proper documents required by the Bank in aid of the Bank's enforcement actions. On the Bank's demand, Borrower will promptly reimburse and indemnify the Bank for all costs and expenses incurred by the Bank in the exercise of its rights under this Section 8.

9. THE BANK'S DUTIES. The powers conferred on the Bank under this Agreement are solely to protect its interests in the Patent Collateral and the License and shall not impose any duty upon the Bank to exercise any such powers. Except for the safe custody of any of the Patent Collateral in its custody and possession and the accounting for moneys actually received by it hereunder, the Bank will have no duty as to any Patent Collateral, the License or as to the taking of any necessary steps to preserve rights against other 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 the Patent Collateral and the License in its possession if the Patent Collateral and the License are accorded treatment substantially equal to that which the Bank accords its own property.

10. REMEDIES. If any Event of Default occurs and is continuing:

(i) The Bank may exercise in respect of the Patent Collateral and the License, in addition to other rights and remedies provided for in this Agreement or otherwise available to the Bank, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Patent Collateral) and also may (a) exercise any and all rights

and remedies of Borrower under or otherwise in respect of the License or otherwise in respect of the Patent Collateral, (b) require Borrower to, and Borrower, at its expense, will immediately on the Bank's request, assemble all or any part of the documents embodying the Patent Collateral as directed by the Bank and make the documents available to the Bank at a place to be designated by the Bank which is reasonably convenient to both the Bank and Borrower, (c) license all or any part of the Patent Collateral, or assign the Bank's rights to the Patent License Rights, to any Person, and (d) without notice except as specified below, sell all or any part of the Patent Collateral and the License at public or private sale, at any of the Bank's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Bank may deem commercially reasonable. If any notice is required by law to effectuate any sale or other disposition of the Patent Collateral, (1) the Bank will give Borrower written notice of the time and place of any public sale or of the time after which any private sale or other intended disposition thereof will be made, and at any such public or private sale, the Bank may purchase all or any of the Patent Collateral and (2) the Bank and Borrower agree that such notice will not be unreasonable as to time if given in compliance with this Agreement ten days prior to any sale or other disposition. The Bank will not be obligated to make any sale of Patent Collateral or the License regardless of notice of sale having been given. The Bank may adjourn any public or private sale from time to time by announcement at the time and place fixed for the sale, and any sale may, without further notice, be made at the time and place to which it was so adjourned.

(ii) All payments received by Borrower under or in connection with any of the Patent Collateral or the License shall be received in trust for the benefit of the Bank, shall be segregated from other funds of Borrower and shall be immediately paid over to the Bank in the same form as so received (with any necessary indorsement) in accordance with the Financing Agreement.

(iii) All payments made under, in connection with or otherwise in respect of, the Patent Collateral or the License and all cash proceeds received by the Bank in respect of, any sale of, collection from, or other realization upon all or any part of the Patent Collateral or the License may, in the discretion of the Bank, be held by the Bank as collateral for, and then or at any time thereafter applied (after payment of any amounts payable to the Bank pursuant to Section 11.2 of this Agreement) in whole or in part by the Bank against, all or any part of the Obligations in any order as the Bank may elect. Any surplus of any cash or cash proceeds held by the Bank and remaining after payment in full of all of the Obligations shall be paid over to Borrower or to whomsoever may be lawfully entitled to receive such surplus.

11. INDEMNIFICATION; EXPENSES.

11.1 Indemnification. In consideration of the execution and delivery of the Financing Agreement and the making of any Loan to Borrower, Borrower hereby indemnifies and holds the Bank and the Bank's officers, directors, Affiliates, and agents (for the purposes of this Section 11.1 each is an "Indemnified Party") harmless from and against any and all claims, losses and liabilities arising out of or resulting from any or all of (i) this Agreement, (ii) the transactions contemplated hereby (including enforcement of this Agreement), and (iii) the Patent Collateral and License except for claims, losses or liabilities resulting from an Indemnified Party's negligence or willful misconduct. The indemnification provided for in this Section 11.1 is in

addition to, and not in limitation of, any other indemnification or insurance provided by Borrower to the Bank.

11.2 Expenses. Borrower will upon demand pay to the Bank the amount of any and all reasonable expenses, including reasonable attorneys' fees, which the Bank may incur in connection with any and all of the following (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Patent Collateral and the License, (iii) the exercise or enforcement of any of the Bank's rights under this Agreement, or (iv) the failure by Borrower to perform or observe any of the provisions of this Agreement, all of which constitute part of the Obligations and are secured by the Patent Collateral.

12. AMENDMENTS; WAIVERS; CONSENTS. No amendment or waiver of any provision of this Agreement nor consent to any departure by Borrower herefrom shall, in any event, be effective unless such amendment or waiver shall be in writing and signed by the Bank, and then such amendment or waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

13. NOTICES. Any notice or notification required, permitted or contemplated under this Agreement shall be in writing, shall be addressed and given to the party to be notified at the address set forth in, and in the manner required by the Financing Agreement.

14. GENERAL.

14.1 Continuing Rights. This Agreement creates a continuing assignment to the Bank of the Patent Collateral and a continuing Lien on the Patent Collateral and the License and shall (i) remain in full force and effect until the full and final payment in full of all of the Obligations, (ii) be binding upon Borrower, its successors and assigns, and (iii) inure, together with the rights and remedies of the Bank under this Agreement, to the benefit of the Bank and the Bank's successors, transferees and assigns.

14.2 Term; Patent Collateral and the License Revert. Subject to Section 14.10 below, this Agreement will terminate on the later to occur of (i) the full performance, payment and satisfaction of the Obligations and (ii) the termination of the Financing Agreement, at which time the assignments made, and the Lien granted by, this Agreement shall terminate and all rights to the Patent Collateral and the License shall revert to Borrower. Upon any such termination, the Bank will, at Borrower's expense, execute and deliver to Borrower such documents as Borrower reasonably requests to evidence such termination and to reassign the Patent Collateral to Borrower.

14.3 Severability. If any term of this Agreement is found invalid under Ohio law or other laws of mandatory application by a court of competent jurisdiction, the invalid term will be considered excluded from this Agreement and will not invalidate the remaining terms of this Agreement.

14.4 Governing Law. THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE AT CINCINNATI, OHIO. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF OHIO (WITHOUT REGARD TO OHIO CONFLICTS OF LAW PRINCIPLES); PROVIDED THAT THE BANK SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

14.5 WAIVER OF JURISDICTION. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR THE BANK TO EXTEND CREDIT TO BORROWER, BORROWER AGREES THAT ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS AGREEMENT, ITS VALIDITY OR PERFORMANCE, AT THE SOLE OPTION OF BANK, ITS SUCCESSORS AND ASSIGNS, AND WITHOUT LIMITATION ON THE ABILITY OF BANK, ITS SUCCESSORS AND ASSIGNS, TO EXERCISE ALL RIGHTS AS TO THE PATENT COLLATERAL OR INITIATE AND PROSECUTE IN ANY APPLICABLE JURISDICTION ACTIONS RELATED TO REPAYMENT OF THE OBLIGATIONS, SHALL BE INITIATED AND PROSECUTED AS TO ALL PARTIES AND THEIR SUCCESSORS AND ASSIGNS AT CINCINNATI, OHIO. THE BANK AND BORROWER EACH CONSENTS TO AND SUBMITS TO THE EXERCISE OF JURISDICTION OVER ITS PERSON BY ANY COURT SITUATED AT CINCINNATI, OHIO HAVING JURISDICTION OVER THE SUBJECT MATTER, AND CONSENTS THAT ALL SERVICE OF PROCESS BE MADE BY CERTIFIED MAIL DIRECTED TO BORROWER AND THE BANK AT THEIR RESPECTIVE ADDRESSES SET FORTH IN THE FINANCING AGREEMENT OR AS OTHERWISE PROVIDED UNDER THE LAWS OF THE STATE OF OHIO. BORROWER WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER, AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

14.6 Headings. Section headings in this Agreement are included for convenience of reference only and shall not relate to the construction or interpretation of this Agreement.

14.7 Entire Agreement. This Agreement and the other Loan Documents set forth the entire agreement of the parties with respect to subject matter of this Agreement and supersedes all previous understandings, written or oral, in respect thereof.

14.8 Assignment. The Bank shall have the right to assign this Agreement and the other Loan Documents. Borrower may not assign, transfer or otherwise dispose of any of its rights or obligations hereunder, by operation of law or otherwise, and any such assignment, transfer or other disposition without the Bank's written consent shall be void. All of the rights, privileges, remedies and options given to the Bank under the Loan Documents shall inure to the benefit of the successors and assigns of the Bank, and all the terms, conditions, covenants, provisions and warranties in this Agreement shall inure to the benefit of and bind the permitted successors and assigns of Borrower and the Bank, respectively.

14.9 Application of Payments; Revival of the Obligations. The Bank shall have the continuing right to apply or reverse and reapply any payments to any portion of the Obligations.

To the extent Borrower makes a payment or payments to the Bank or the Bank receives any payment or proceeds of the Patent Collateral or any other security for Borrower's benefit, which payment(s) or proceeds or any part thereof are subsequently voided, invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or federal law, common law or equitable cause, then, to the extent of such payment(s) or proceeds received, the Obligations or part thereof intended to be satisfied shall be revived and shall continue in full force and effect, as if such payment(s) or proceeds had not been received by the Bank.

14.10 Survival and Continuation of Representations and Warranties. All of Borrower's representations and warranties contained in this Agreement shall (i) survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto, and (ii) remain true until the Obligations are fully performed, paid and satisfied, made by Borrower with the same effect as though the representations and warranties had been made again on, and as of, each day of the term of this Agreement, subject to such changes as may not be prohibited hereby, do not constitute Events of Default, and have been consented to by the Bank in writing.


14.11 Conflict. If there is any conflict, ambiguity, or inconsistency, in the Bank's judgment, between the terms of this Agreement and any other Loan Documents, then the applicable terms and provisions, in the Bank's judgment, providing the Bank with greater rights, remedies, powers, privileges, or benefits will control. Without limiting the generality of the foregoing, the description of the Patent Collateral in this Agreement does not in any way limit the description of, or the Bank's Lien on, the "Collateral" as defined in the Security Agreement, or the Bank's remedies respecting the "Collateral."

14.12 WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR THE BANK TO EXTEND CREDIT TO BORROWER, BORROWER AND THE BANK EACH WAIVES TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS AGREEMENT OR THE CONDUCT OF THE RELATIONSHIP BETWEEN THE BANK AND BORROWER.

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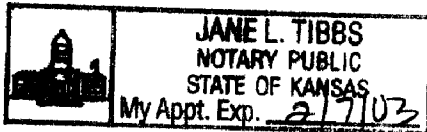
IN WITNESS WHEREOF, Borrower has signed this Agreement as of December 10, 2001.

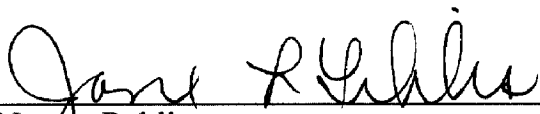
EXCEL INDUSTRIES, INC.

By: 
Robert A. Mullet, Vice-President and Treasurer

STATE OF KANSAS,
COUNTY OF SEDGWICK, SS:

The foregoing instrument was acknowledged before me this 10th day of December, 2001, by Robert A. Mullet, Vice-President and Treasurer of and on behalf of Excel Industries, Inc., a Kansas corporation.




Notary Public

Accepted as of December 10, 2001.

U.S. BANK NATIONAL ASSOCIATION

By: 
Vice President

Schedule I to Patent Security Agreement

PATENTS

<u>Patent</u>	<u>Patent No.</u>	<u>Description</u>
1.	6,073,430	Rotary mower up-flow cutting deck
2.	5,913,802	Single lever drivewheel steering power lawn mower
3.	D345,741	Multi-purpose tractor
4.	5,090,512	Four-wheel coordinated steering multi-purpose tractor
5.	4,957,183	4-wheel coordinated steering multi-purpose tractor
6.	4,916,887	Rotary mulching mower
7.	4,691,784	Lawn edger attachment for tractors
8.	4,629,006	Lawn edger attachment for tractors
9.	4,497,160	Mower with lateral extension wings
10.	4,487,007	Storage box for mower clippings
11.	4,266,617	Tractor with full-floating tool bar
12.	4,226,074	Lawnmower deck
13.	4,204,576	Soil aerating device
14.	4,200,155	Lawn edger attachment
15.	4,103,477	Grass and leaf collector and compactor attachment for mowers
16.	4,069,649	Grass and leaf collector and compactor attachment for mowers
17.	4,046,200	Lawn edger attachment