

05-27-1999

5-21-99



FRONT SHEET ONLY

To the Honorable Commissioner of Patents and Trademarks

Original documents or copy thereof.

101048290

1. Name of conveying party(ies):

ITP Licensing Corporation

- Individual Association
- General Partnership Limited Partnership

Corporation - State: Florida

Other: MRP 5-21-99

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other: _____

Execution Date: April 30, 1998

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

Name: e-CourseWare Corporation

Internal Address: _____

Street Address: 1013 Centre Road

City: Wilmington State: DE Zip: 19805

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership

Corporation - State: Delaware

Other:

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached Yes No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,188,303

Additional numbers attached? yes no

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

Name: Catherine R. Howell, Paralegal

Internal Address: Ropes & Gray

Street Address: 1301 K St., N. W. Suite 800 East

City: Washington, D.C. State: DC Zip: 20005

6. Total number of applications and registration involved:

..... [1]

7. Total Fee (37 CFR 3.41) \$ 40

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

18-1945

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.

Catherine R. Howell
Name of Person Signing

Catherine R. Howell
Signature

May 21, 1999
Date

Total number of pages including cover sheet, attachments and document: 3

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ASSIGNMENT SERVICES
DIVISION

TRADEMARK
REEL: 001902 FRAME: 0848

TRADEMARK ASSIGNMENT

THIS AGREEMENT is dated as of April 1, 1999.

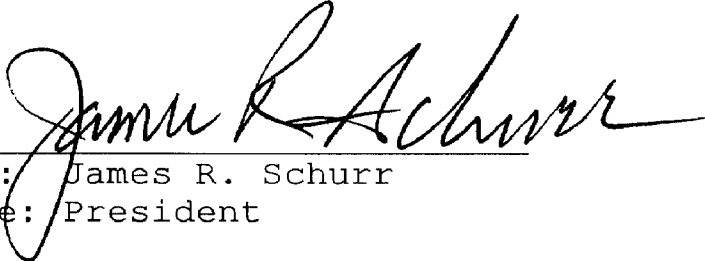
WHEREAS, ITP Licensing Corporation, a Florida corporation, an affiliate of International Thomson Publishing, Inc., (hereinafter referred to as the "Assignor"), has adopted, acquired and used in its business the following trademark:

E-COURSE (and design) Registration No. 2,188,303

WHEREAS, e-CourseWare Corporation (hereinafter called the "Assignee"), a Delaware corporation having its principal place of business at 1013 Centre Road, Wilmington, Delaware, in connection with the Software License and Distribution Agreement dated January 9, 1997 between e-CourseWare Corporation and Course Technology, a division of International Publishing, Inc., is desirous of acquiring all right, title and interest, in and to said trademarks;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assign unto Assignee, effective as of April 30, 1997, its successors and assigns, all of its right, title and interest in and to said trademark registration, together with all of the goodwill of the business symbolized by said mark, and together with the right to sue and collect damages and/or profits for past infringements of said marks, the intent hereof being to substitute Assignee in the place of Assignor.

ITP Licensing Corporation

By: 
Name: James R. Schurr
Title: President

STATE OF DELAWARE)
) ss:
COUNTY OF NEW CASTLE)

On this 15th day of April, 1999, before me Kathryn A. Clayville, the undersigned officer, personally appeared James R. Schurr, who acknowledged himself to be the President of ITP Licensing Corporation, a corporation, and that he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

Kathryn A. Clayville
Notary Public

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement"), dated as of May 12, 1999, is made by ALLIED PRODUCTS CORPORATION, a Delaware corporation (the "Grantor") in favor of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association ("Bank of America") as agent for the ratable benefit of the Banks and any Swap Provider (each as defined below) (in such capacity, and together with its successors and assigns, the "Agent").

RECITALS

A. The Grantor is a party to that certain Second Amended and Restated Credit Agreement dated as of February 1, 1999 by and among the Grantor, the several financial institutions from time to time parties thereto (the "Banks"), and Bank of America, as Agent (as amended, restated, modified, renewed, supplemented or extended from time to time, the "Credit Agreement").

B. Pursuant to the First Amendment and Waiver dated as of April 15, 1999 to the Credit Agreement (the "First Amendment"), the Grantor agreed to enter into this Agreement and to grant or cause to be granted to the Agent the security interests hereinafter provided to secure the Liabilities (as hereinafter defined).

C. It is in the best interest of the Grantor to execute this Agreement as the Grantor will derive substantial direct and indirect benefits from the extensions of credit made from time to time to the Grantor by the Banks pursuant to the Credit Agreement.

Accordingly, the parties hereto agree as follows:

SECTION 1 Definitions; Interpretation.

(a) Terms Defined in Credit Agreement. All capitalized terms used in this Agreement and not otherwise defined herein have the meanings specified in the Credit Agreement.

(b) Certain Defined Terms. As used in this Agreement, the following terms have the following meanings:

"Accounts" means any and all accounts of the Grantor, whether now existing or hereafter acquired or arising, and in any event includes all accounts receivable, contract rights, rights to payment and other obligations of any kind owed to the Grantor arising out of or in connection with the sale or lease of merchandise, goods or commodities or the rendering of services or arising from any other transaction, however evidenced, and whether or not earned by performance, all guaranties, indemnities and security with respect to the foregoing, and all other obligations owing to the Grantor, and all letters of credit relating thereto, in each case whether now existing or hereafter acquired or arising.

“Agent” has the meaning specified in the preamble hereof.

“Attorney Costs” means and includes all reasonable fees and disbursements of any law firm or other external counsel, the allocated cost of internal legal services and all disbursements of internal counsel.

“Aurora” has the meaning specified in subsection 4(p) hereof.

“Bank of America” has the meaning specified in the preamble hereof.

“Banks” has the meaning specified in recital A hereof.

“Bankruptcy Code” means the Federal Bankruptcy Reform Act of 1978 (11 U.S.C. §101, et seq.).

“Books” means all books, records and other written, electronic or other documentation in whatever form maintained now or hereafter by or for the Grantor in connection with the ownership of its assets or the conduct of its business or evidencing or containing information relating to the Collateral, including: (i) ledgers; (ii) records indicating, summarizing, or evidencing the Grantor's assets (including Inventory and Rights to Payment), business operations or financial condition; (iii) computer programs and software; (iv) computer discs, tapes, files, manuals, spreadsheets; (v) computer printouts and output of whatever kind; (vi) any other computer prepared or electronically stored, collected or reported information and equipment of any kind; and (vii) any and all other rights now or hereafter arising out of any contract or agreement between the Grantor and any service bureau, computer or data processing company or other Person charged with preparing or maintaining any of the Grantor's books or records or with credit reporting, including with regard to the Grantor's Accounts.

“Chattel Paper” means all writings of whatever sort which evidence a monetary obligation and a security interest in or lease of specific goods, whether now existing or hereafter arising.

“Collateral” has the meaning specified in Section 2 hereof.

“Collateral Documents” has the meaning assigned thereto in the First Amendment. “Collateral Documents” includes this Agreement and the Pledge Agreement (Deposit Accounts).

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its property is bound.

“Credit Agreement” has the meaning specified in recital A hereof.

“Deposit Account” means any demand, time, savings, passbook or like account now or hereafter maintained by or for the benefit of the Grantor with a bank, savings and loan

association, credit union or like organization (including Bank of America and each of the Banks) and all funds and amounts therein, whether or not restricted or designated for a particular purpose. "Deposit Account" includes, without limitation, all Lock-Box Accounts (as hereinafter defined) and also includes account No. 86665-00150 of the Grantor at Bank of America.

"Documents" means any and all documents of title, bills of lading, dock warrants, dock receipts, warehouse receipts and other documents of the Grantor, whether or not negotiable, and includes all other documents which purport to be issued by a bailee or agent and purport to cover goods in any bailee's or agent's possession which are either identified or are fungible portions of an identified mass, including such documents of title made available to the Grantor for the purpose of ultimate sale or exchange of goods or for the purpose of loading, unloading, storing, shipping, transshipping, manufacturing, processing or otherwise dealing with goods in a manner preliminary to their sale or exchange, in each case whether now existing or hereafter acquired or arising.

"Equipment" means all now existing or hereafter acquired equipment of the Grantor in all of its forms, wherever located, and in any event includes any and all machinery, furniture, equipment, furnishings and fixtures in which the Grantor now or hereafter acquires any right, and all other goods and tangible personal property (other than Inventory), including tools, parts and supplies, automobiles, trucks, tractors and other vehicles, computer and other electronic data processing equipment and other office equipment, computer programs and related data processing software, and all additions, substitutions, replacements, parts, accessories, and accessions to and for the foregoing, now owned or hereafter acquired, and including any of the foregoing which are or are to become fixtures on real property.

"Event of Default" has the meaning specified in the Credit Agreement.

"Financing Statements" has the meaning specified in Section 3 hereof.

"First Amendment" has the meaning specified in recital B hereof.

"General Intangibles" means all general intangibles of the Grantor, now existing or hereafter acquired or arising, and in any event includes: (i) all tax and other refunds, rebates or credits of every kind and nature to which the Grantor is now or hereafter may become entitled; (ii) all good will, choses in action and causes of action, whether legal or equitable, whether in contract or tort and however arising; (iii) all Intellectual Property Collateral; (iv) all uncertificated securities and interests in limited and general partnerships; (v) all rights of stoppage in transit, replevin and reclamation; (vi) all licenses, permits, consents, indulgences and rights of whatever kind issued in favor of or otherwise recognized as belonging to the Grantor by any Governmental Authority; and (vii) all indemnity agreements, guaranties, insurance policies and other contractual, equitable and legal rights of whatever kind or nature; in each case whether now existing or hereafter acquired or arising.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative

functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“Grantor” has the meaning specified in the preamble hereof.

“HPT” has the meaning specified in subsection 4(p) hereof.

“Indemnified Liabilities” has the meaning specified in subsection 15(a) hereof.

“Indemnified Person” has the meaning specified in subsection 15(a) hereof.

“Insolvency Default” means the occurrence of any Unmatured Event of Default under Section 12.1.4 of the Credit Agreement.

“Insolvency Proceeding” means, with respect to any Person, (a) any case, action or proceeding with respect to such Person before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors; undertaken under U.S. federal, state or foreign law, including the Bankruptcy Code.

“Instruments” means any and all negotiable instruments, certificated securities and every other writing which evidences a right to the payment of money, in each case whether now existing or hereafter acquired.

“Intellectual Property Collateral” means the following properties and assets owned or held by the Grantor or in which the Grantor otherwise has any interest, now existing or hereafter acquired or arising:

(i) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such patents, patent applications and patent licenses as described in Schedule 1), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;

(ii) all copyrights and applications for copyright, domestic or foreign, together with the underlying works of authorship (including titles), whether or not the underlying works of authorship have been published and whether said copyrights are statutory or arise under the common law, and all other rights and works of authorship, all rights, claims and demands in any way relating to any such copyrights or works, including royalties and rights to sue for past, present or future infringement, and all rights of renewal and extension of copyright;

(iii) all state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names, applications and licenses as described in

Schedule 1), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(iv) all trade secrets, confidential information, customer lists, license rights, advertising materials, operating manuals, methods, processes, know-how, sales literature, drawings, specifications, blue prints, descriptions, inventions, name plates and catalogs; and

(v) the entire goodwill of or associated with the businesses now or hereafter conducted by the Grantor connected with and symbolized by any of the aforementioned properties and assets;

provided, however, that there shall be excluded from the term "Intellectual Property Collateral" (x) any "intent to use" trademark application to the extent that the grant of a security interest hereunder would render such application void and (y) any license which by its terms prohibits the assignment or the grant of a security interest by the Grantor as licensee thereunder and for which the Grantor has not obtained the requisite consent to such assignment or such grant of security interest, it being understood, however, that the Grantor shall use (and hereby agrees to use) its best efforts to obtain such consent and that, upon obtaining such consent, such license shall automatically constitute Intellectual Property Collateral hereunder.

"Inventory" means any and all of the Grantor's inventory in all of its forms, wherever located, whether now owned or hereafter acquired, and in any event includes all goods (including goods in transit) which are held for sale, lease or other disposition, including those held for display or demonstration or out on lease or consignment or to be furnished under a contract of service, or which are raw materials, work in process, finished goods or materials used or consumed in the Grantor's business, and the resulting product or mass, and all repossessed, returned, rejected, reclaimed and replevied goods, together with all parts, components, supplies, packing and other materials used or usable in connection with the manufacture, production, packing, shipping, advertising, selling or furnishing of such goods; and all other items hereafter acquired by the Grantor by way of substitution, replacement, return, repossession or otherwise, and all additions and accessions thereto, and any Document representing or relating to any of the foregoing at any time.

"Investment Property" has the meaning assigned thereto in the UCC (as hereinafter defined). Investment Property includes, without limitation, the interest of Grantor in HPT and VPT.

"Lender Party" means, as the context may require, any Bank (including any Bank in its capacity as Letter of Credit issuing Bank), any Bank or its Affiliate in its capacity as Swap Provider or the Agent and each of their respective successors, transferees and permitted assigns.

"Letter of Credit" has the meaning assigned thereto in the Credit Agreement.

"Liabilities" means (i) the Notes, (ii) all obligations (including reimbursement obligations) of the Grantor in respect of the Letters of Credit, (iii) all Secured Swap Obligations, and (iv) all other obligations of the Grantor of every description, which arise under the Credit Agreement, this Agreement or any other Loan Documents, including without limitation, all

obligations of the Grantor in respect of principal, interest, fees, expenses or indemnities, in each case however created, arising or evidenced, whether direct or indirect, absolute and contingent, liquidated or unliquidated, determined or undetermined, or now or hereafter existing, or due or to become due.

“Lien” means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property (including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a capital lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the UCC or any comparable law) and any contingent or other agreement to provide any of the foregoing.

“Lock-Box” means a lock-box established pursuant to a Lock-Box Agreement.

“Lock-Box Account” means any and all of the accounts Nos. 7199, 91755, 96599, and 98135 maintained by the Grantor with Bank of America individually and/or as Agent.

“Lock-Box Agreements” means any and all lock-box agreements or similar arrangements of the Grantor with Bank of America individually or as Agent in respect of the Lock-Box Accounts as the same may be amended or modified from time to time.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, properties, condition (financial or otherwise) or prospects of the Grantor; (b) a material impairment of the ability of the Grantor to perform under, the Credit Agreement or any other Loan Document (including this Agreement) and to avoid any Event of Default; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Grantor under the Credit Agreement or any other Loan Document (including this Agreement).

“Notes” has the meaning ascribed thereto in Section 2 of the Credit Agreement.

“Organization Documents” means, for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation.

“Permitted Liens” means any mortgage, pledge, title retention lien, or other lien, encumbrance or security interest permitted by Section 10.11 of the Credit Agreement, it being understood that “Permitted Liens” also includes Liens on the Great Bend property in Kansas financed by industrial revenue bonds and Liens representing the interest of a lessor, in each case to the extent referenced in Schedule 10.10 of the Credit Agreement.

“Person” means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority.

“Pledge Agreement (Deposit Accounts)” means the Pledge Agreement (Deposit Accounts) dated as of May 12, 1999 made by the Grantor in favor of the Agent, as the same may be amended or modified from time to time.

“Proceeds” means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Collateral or other assets of the Grantor, including “proceeds” as defined at UCC Section 9-306, any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of the Grantor from time to time with respect to any of the Collateral, any and all payments (in any form whatsoever) made or due and payable to the Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any Person acting under color of Governmental Authority), any and all other amounts from time to time paid or payable under or in connection with any of the Collateral or for or on account of any damage or injury to or conversion of any Collateral by any Person, any and all other tangible or intangible property received upon the sale or disposition of Collateral, and all proceeds of proceeds.

“Proceeds Account” has the meaning specified in subsection 10(c) hereof.

“Requirement of Law” means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

“Rights to Payment” means all Accounts, and any and all rights and claims to the payment or receipt of money or other forms of consideration of any kind in, to and under all Chattel Paper, Documents, General Intangibles, Instruments and Proceeds.

“Secured Swap Obligations” means all obligations and liabilities of the Grantor of any kind arising under all Swap Contracts, including obligations and liabilities arising in connection with or as a result of early termination of a Swap Contract (as hereinafter defined), whether or not occurring as a result of a default thereunder, absolute or contingent, due or to become due, now existing or hereafter created or incurred, liquidated or unliquidated, determined or undetermined.

“Swap Contract” means any agreement between the Grantor and any Swap Provider (as hereinafter defined), whether or not in writing, relating to any transaction that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction, currency swap, cross-currency rate swap, swaption, currency option or any other, similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing, provided that “Swap Contract” includes any such agreement so long as the counterparty to such agreement is a Bank that is a party to the Credit Agreement or an Affiliate of a Bank that is a party to the Credit Agreement at the time such agreement is made with the Grantor.

“Swap Provider” means any Bank, or any Affiliate of any Bank, that is at the time of determination party to a Swap Contract with the Grantor.

“UCC” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of Illinois; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Illinois, the term “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

“UCC Financing Statement” means a Financing Statement or similar filing naming the owner of an asset subject to a Lien as debtor, under the UCC or other applicable law.

“VPT” has the meaning specified in Section 4(p) hereof.

(c) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) Interpretative Provisions.

(i) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(ii) The words “hereof”, “herein”, “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(iii) The term “documents” includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced.

(iv) The term “including” is not limiting and means “including without limitation.”

(v) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including.”

(vi) Unless otherwise expressly provided herein, (A) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, and (B) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(vii) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(viii) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms. Unless otherwise expressly provided, any reference to any action of the Agent or the Banks by way of consent, approval or waiver shall be deemed modified by the phrase "in its/their sole discretion."

(ix) This Agreement and the other Loan Documents are the result of negotiations among and have been reviewed by the counsel to the Agent and the counsel to the Grantor, and are the products of all parties. Accordingly, they shall not be construed against the Banks or the Agent merely because of the Agent's or Banks' involvement in their preparation.

SECTION 2 Security Interest.

(a) Grant of Security Interest. As security for the payment and performance of the Liabilities, the Grantor hereby pledges, assigns, transfers, hypothecates and sets over to the Agent for its benefit and for the ratable benefit of the other Lender Parties, and hereby grants to the Agent for its benefit and for the ratable benefit of the other Lender Parties, a security interest in, all of the Grantor's right, title and interest in, to and under the following property, wherever located and whether now existing or owned or hereafter acquired or arising (collectively, the "Collateral"): (i) all Accounts; (ii) all Chattel Paper; (iii) all Deposit Accounts; (iv) all Documents; (v) all Equipment; (vi) all General Intangibles; (vii) all Instruments; (viii) all Inventory; (ix) all Books; (x) all Investment Property; and (xi) all products and Proceeds of any and all of the foregoing.

(b) Grantor Remains Liable. Anything herein to the contrary notwithstanding, (i) the Grantor shall remain liable under any contracts, agreements and other documents included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Agent of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under such contracts, agreements and other documents included in the Collateral, and (iii) neither the Agent nor any other Lender Party shall have any obligation or liability under any contracts, agreements and other documents included in the Collateral by reason of this Agreement, nor shall the Agent or any other Lender Party be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Collateral hereunder.

(c) Continuing Security Interest. The Grantor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 25 hereof.

SECTION 3 Financing Statements, Etc. The Grantor shall execute and deliver to the Agent concurrently with the execution of this Agreement, and at any time and from time to time thereafter, upon the request of Agent, all financing statements, continuation financing statements, termination statements, security agreements, chattel mortgages, assignments, patent,

copyright and trademark collateral assignments, fixture filings, warehouse receipts, documents of title, affidavits, reports, notices, schedules of account, letters of authority and all other documents and instruments, in form reasonably satisfactory to the Agent (the "Financing Statements"), and take all other action, as the Agent may reasonably request, to perfect and continue perfected, maintain the priority of or provide notice of the Agent's security interest in the Collateral and to accomplish the purposes of this Agreement.

SECTION 4 Representations and Warranties. The Grantor represents and warrants to the Agent that:

(a) Location of Chief Executive Office and Collateral. The Grantor's chief executive office and principal place of business is located at the address set forth in Schedule 1, and all other locations where the Grantor conducts business or Collateral is kept are set forth in Schedule 1.

(b) Locations of Books. All locations where Books pertaining to the Rights to Payment are kept, including all equipment necessary for accessing such Books and the names and addresses of all service bureaus, computer or data processing companies and other Persons keeping any Books or collecting Rights to Payment for the Grantor, are set forth in Schedule 1.

(c) Trade Names. All trade names under which the Grantor presently conducts its business operations are set forth in Schedule 1, and, except as set forth in Schedule 1, the Grantor has not, at any time during the preceding five years: (i) been known as or used any other corporate, trade or fictitious name; (ii) changed its name; (iii) been the surviving or resulting corporation in a merger or consolidation; or (iv) acquired through asset purchase or otherwise any business of any Person.

(d) Ownership of Collateral. The Grantor is, and, except as permitted by subsection 5(i) hereof, will continue to be, the sole and complete owner of the Collateral (or, in the case of after-acquired Collateral, at the time the Grantor acquires rights in such Collateral, will be the sole and complete owner thereof), free from any Lien other than Permitted Liens.

(e) Enforceability; Priority of Security Interest. (i) This Agreement creates a security interest which is enforceable against the Collateral in which the Grantor now has rights and will create a security interest which is enforceable against the Collateral in which the Grantor hereafter acquires rights at the time the Grantor acquires any such rights; and (ii) the Agent has a perfected and (subject to any pre-existing perfected Permitted Liens) first priority security interest in the Collateral in which the Grantor now has rights, and will have a perfected and (subject to any pre-existing perfected Permitted Liens) first priority security interest in the Collateral in which the Grantor hereafter acquires rights at the time the Grantor acquires any such rights, in each case for the Agent's own benefit and for the ratable benefit of the Lender Parties, and in each case securing the payment and performance of the Liabilities.

(f) Other Financing Statements. Other than (i) UCC Financing Statements in favor of the Agent as secured party in its capacity as Agent for the Lender Parties under the Credit Agreement and any other Loan Documents, and (ii) UCC Financing Statements evidencing Permitted Liens, no effective UCC Financing Statement naming the Grantor as

debtor, assignor, grantor, mortgagor, pledgor or the like and covering all or any part of the Collateral is on file in any filing or recording office in any jurisdiction.

(g) Rights to Payment. (i) The Rights to Payment (in the aggregate) represent valid, binding and enforceable obligations of the account debtors or other Persons obligated thereon, representing undisputed, bona fide transactions completed in accordance with the terms and provisions contained in any documents related thereto, and are and will be genuine, free from Liens (other than Permitted Liens), and not subject to any adverse claims, counterclaims, setoffs, defaults, disputes, defenses, discounts, retainages, holdbacks or conditions precedent of any kind of character, except to the extent reflected by the Grantor's reserves for uncollectible Rights to Payment or to the extent, if any, that such account debtors or other Persons may be entitled to normal and ordinary course trade discounts, returns, adjustments and allowances in accordance with subsection 5(m) hereof, or as otherwise disclosed to the Agent in writing;

(ii) to the Grantor's knowledge, all account debtors and other obligors on the Rights to Payment are solvent and generally paying their debts as they come due except to the extent that the Grantor has established adequate reserves therefor in accordance with GAAP;

(iii) to the Grantor's knowledge, all Rights to Payment comply in all material respects with all applicable laws concerning form, content and manner of preparation and execution, including where applicable any federal or state consumer credit laws;

(iv) all statements made, all unpaid balances and all other information in the Books and other documentation relating to the Rights to Payment in the aggregate are true and correct in all material respects; and

(v) the Grantor has no knowledge of any fact or circumstance which would materially impair the validity or collectibility of the Rights to Payment in the aggregate.

(h) Inventory. No Inventory is stored with any bailee, warehouseman or similar Person or on any premises leased to the Grantor, nor has any Inventory been consigned to the Grantor or consigned by the Grantor to any Person or is held by the Grantor for any Person under any "bill and hold" or other arrangement, except as set forth in Schedule 1.

(i) Intellectual Property. (i) Except as set forth in Schedule 1, the Grantor (directly or through any Subsidiary) does not own, possess or use under any licensing arrangement any patents, copyrights, trademarks, service marks or trade names, nor is there currently pending before any Governmental Authority any application for registration of any patent, copyright, trademark, service mark or trade name;

(ii) all patents, copyrights, trademarks, service marks and trade names are subsisting and none have been adjudged invalid or unenforceable in whole or in part;

(iii) all maintenance fees required to be paid on account of any patents have been timely paid for maintaining such patents in force, and, to the Grantor's knowledge, each of the patents is valid and enforceable and the Grantor has notified the Agent in writing of all material prior art (including public uses and sales) of which it is aware;

(iv) to the Grantor's knowledge after due inquiry, no material infringement or unauthorized use presently is being made of any Intellectual Property Collateral by any Person;

(v) the Grantor is the sole and exclusive owner of the Intellectual Property Collateral and the past, present and contemplated future use of such Intellectual Property Collateral by the Grantor has not, does not and will not infringe or violate any right, privilege or license agreement of or with any other Person; and

(vi) the Grantor owns, has material rights under, is a party to, or an assignee of a party to all material licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, trade names and all other Intellectual Property Collateral necessary to continue to conduct its business as heretofore conducted.

(j) Equipment. (i) None of the Equipment or other Collateral is affixed to real property, except Collateral with respect to which the Grantor has supplied the Agent with all information and documentation necessary to make all fixture filings required to perfect and protect the priority of the Agent's security interest in all such Collateral which may be fixtures as against all Persons having an interest in the premises to which such property may be affixed; and (ii) none of the Equipment is leased from or to any Person, except as set forth in Schedule 1.

(k) Deposit Accounts. The names and addresses of all financial institutions at which the Grantor maintains its Deposit Accounts, and the account numbers and account names of such Deposit Accounts, are set forth in Schedule 1.

(l) Compliance with Federal Fair Labor Standards Act. To the knowledge of the Grantor, all Collateral has been and will be produced in compliance with the Federal Fair Labor Standards Act.

(m) Corporate Existence and Power. The Grantor (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; (ii) has the power and authority and all governmental licenses, authorizations, consents and approvals to own its assets, carry on its business and to execute, deliver, and perform its obligations under this Agreement and any other Loan Document to which it is a party; (iii) is duly qualified as a foreign corporation and is licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license; (iv) is in compliance with all Requirements of Law; except, in each case referred to in clause (iv), to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(n) Corporate Authorization; No Contravention. The execution, delivery and performance by the Grantor of this Agreement and each other Loan Document to which it is a party, have been duly authorized by all necessary corporate action, and do not and will not: (i) contravene the terms of any of the Grantor's Organization Documents; (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, any document evidencing any Contractual Obligation to which the Grantor is a party or any order, injunction, writ or decree of any Governmental Authority to which the Grantor or its property is subject other than

Liens in favor of the Agent pursuant to the Collateral Documents; or (iii) violate any Requirement of Law.

(o) Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Grantor of this Agreement or any other Loan Document to which it is a party.

(p) Subsidiaries and Joint Ventures. The Grantor does not have any Subsidiaries or joint ventures except (i) Aurora Corporation of Illinois ("Aurora"), a wholly owned subsidiary which is a name holding company only and has no assets; (ii) Verson Pressentechnik GmbH ("VPT"), a joint venture in which the Grantor holds a 60% interest; and (iii) High Production Technology, LLC. ("HPT"), a joint venture in which the Grantor holds a 50% interest.

SECTION 5 Covenants. So long as any of the Liabilities remain unsatisfied or any Bank shall have any Commitment or any Letter of Credit shall be outstanding or any Swap Contract shall be in effect, the Grantor agrees that:

(a) Defense of Collateral. The Grantor will appear in and defend any action, suit or proceeding which may affect to a material extent its title to, or right or interest in, or the Agent's right to or interest in, the Collateral.

(b) Preservation of Collateral. The Grantor will do and perform all reasonable acts that may be necessary and appropriate to maintain, preserve and protect the Collateral.

(c) Compliance with Laws, Etc. The Grantor will comply in all material respects with all Requirements of Law, and will comply with all policies of insurance, relating in any material way to the possession, operation, maintenance and control of the Collateral.

(d) Location of Books and Chief Executive Office. The Grantor will, subject to compliance with clause (ii) immediately following: (i) keep all Books pertaining to the Rights to Payment at the locations identified Schedule 1; and (ii) give at least 30 days' prior written notice to the Agent of (A) any changes in any such location where Books pertaining to the Rights to Payment are kept, including any change of name or address of any service bureau, computer or data processing company or other Person preparing or maintaining any Books or collecting Rights to Payment for the Grantor and (B) any changes in the location of the Grantor's chief executive office or principal place of business.

(e) Location of Collateral. The Grantor will: (i) keep the Collateral at the locations set forth in Schedule 1 and not remove the Collateral from such locations (other than disposals of Collateral permitted by subsection 5(i) below) except upon at least 30 days' prior written notice of any removal to the Agent; (ii) not permit the aggregate value of Inventory located in Canada to exceed U.S. \$250,000; and (iii) give the Agent at least 30 days' prior written notice of any change in the locations set forth in Schedule 1.

(f) Change in Name, Identity or Structure. The Grantor will give at least 30 days' prior written notice of (i) any change in its name, (ii) any changes in, additions to or other

modifications of its trade names set forth in Schedule 1, and (iii) any changes in its identity or structure in any manner which might make any Financing Statement filed hereunder incorrect or misleading.

(g) Maintenance of Records. The Grantor will keep separate, accurate and complete Books with respect to the Collateral, reasonably disclosing the Agent's security interest hereunder to the extent necessary or desirable under the UCC and other applicable law to maintain and enhance the Agent's security interests hereunder.

(h) Invoicing of Sales. The Grantor will invoice all of its sales upon forms customary in the industry and to maintain proof of delivery and customer acceptance of goods.

(i) Disposition of Collateral. The Grantor will not surrender or lose possession of (other than to the Agent), sell, lease, rent, or otherwise dispose of or transfer any of the Collateral or any right or interest therein, except the disposition of Inventory in the ordinary course of business and except to the extent permitted by Section 10.13 of the Credit Agreement.

(j) Liens. Other than Permitted Liens, the Grantor will keep the Collateral free of all Liens and security interests of any kind.

(k) Expenses. The Grantor will pay all expenses of protecting, storing, warehousing, insuring, handling and shipping the Collateral.

(l) Leased Premises. At the Agent's request, the Grantor will obtain from each Person from whom the Grantor leases any premises or from whom the Grantor utilizes warehouse space or who acts as bailee for, or in a similar capacity with respect to, the Grantor, at a location at which any Collateral is at any time present such subordination, waiver, consent and estoppel agreements as the Agent may reasonably require, in form and substance reasonably satisfactory to the Agent.

(m) Rights to Payment. The Grantor will:

(i) with such frequency as the Agent may reasonably require (but, absent a continuing Event of Default or Insolvency Default, no more frequently than once per month in the case of clauses (A) and (B) below) furnish to the Agent (A) master customer listings, including all names and addresses, together with copies or originals (as requested by the Agent) of documents, customer statements, repayment histories and present status reports relating to the Accounts; (B) accurate records and summaries of Accounts, including detailed agings specifying the name, face value and date of each invoice, and listings of Accounts that are disputed or have been cancelled; and (C) such other matters and information relating to the Accounts as the Agent shall from time to time reasonably request;

(ii) give only normal discounts, allowances and credits as to Accounts and other Rights to Payment, in the ordinary course of business, according to normal trade practices utilized by the Grantor in the past, and enforce all Accounts and other Rights to Payment in accordance with their terms (except to the extent necessary to enhance recovery or collection) and take all such action to such end as may from time to time be reasonably requested by the Agent, except that the Grantor may grant a reasonable extension of the time for payment;

(iii) if any discount, allowance, credit, extension of time for payment, agreement to make a rebate or otherwise to reduce the amount owing on, or compromise or settle, an Account or other Right to Payment exists or occurs, or if, to the knowledge of the Grantor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to an Account or other Right to Payment, disclose such fact fully in the Books relating to such Account or other Right to Payment;

(iv) if any Accounts arise from contracts with the United States of America or any department, agency or instrumentality thereof, immediately notify the Agent thereof and execute any documents and instruments and take any other steps requested by the Agent in order that all monies due and to become due thereunder shall be assigned to the Agent and notice thereof given to the federal authorities under the Federal Assignment of Claims Act;

(v) in accordance with its sound business judgment perform and comply in all material respects with its obligations in respect of the Accounts and other Rights to Payment;

(vi) (A) maintain in effect all Lock-Box Agreements and Lock-Box Accounts; (B) direct and continue to direct that all accounts debtors and other obligors on the Rights to Payment remit all payments directly to a Lock-Box; and (C) to the extent that, notwithstanding such directions, the Grantor receives any such payment, promptly, but in any event within two Business Days, deposit (in like kind) such payment into a Lock-Box or Deposit Account.

(vii) upon the reasonable request of the Agent following an Event of Default or Insolvency Default, at any time, (A) notify all or any designated portion of the account debtors and other obligors on the Rights to Payment of the security interest hereunder, and (B) notify the account debtors and other obligors on the Rights to Payment or any designated portion thereof that payment shall be made directly to the Agent or to such other Person or location as the Agent shall specify; and

(n) Documents, Etc. Upon the request of the Agent, the Grantor will (i) immediately deliver to the Agent, or an agent designated by it, appropriately endorsed or accompanied by appropriate instruments of transfer or assignment, all Documents, Instruments and Chattel Paper, and all other Rights to Payment at any time evidenced by promissory notes, trade acceptances or other instruments, and (ii) mark all Documents and Chattel Paper with such legends as the Agent shall reasonably specify.

(o) Inventory. The Grantor will: (i) at such times as the Agent shall reasonably request, prepare and deliver to the Agent a report of all Inventory, in form and substance satisfactory to the Agent; (ii) upon the reasonable request of the Agent, take a physical listing of the Inventory and promptly deliver a copy of such physical listing to the Agent; (iii) not store any Inventory with a bailee, warehouseman or similar Person or on premises leased to the Grantor, except for Inventory the aggregate value of which does not exceed \$3,800,000 for all such Inventory so stored; and (iv) not dispose of any Inventory on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment or similar basis, nor acquire any Inventory from any Person on any such basis, without in each case giving the Agent at least 30 days' prior written notice thereof.

(p) Equipment. The Grantor will, upon the Agent's request, deliver to the Agent a report of Equipment in the aggregate, in form and substance reasonably satisfactory to the Agent.

(q) Intellectual Property Collateral. The Grantor will: (i) not enter into any agreements or transactions (including any license or royalty agreement) pertaining to any Intellectual Property Collateral except to the extent necessary for the conduct of Grantor's business in the ordinary course; (ii) not allow or suffer any Intellectual Property Collateral to become abandoned, nor any registration thereof to be terminated, forfeited, expired or dedicated to the public, except to the extent that in the ordinary course of business such Intellectual Property Collateral has ceased to have material value; (iii) promptly give the Agent notice of any rights the Grantor may obtain to any new patentable inventions, copyrightable works or other new Intellectual Property Collateral, prior to the filing of any application for registration thereof; and (iv) diligently prosecute all applications for patents, copyrights and trademarks, and file and prosecute any and all continuations, continuations-in-part, applications for reissue, applications for certificate of correction and like matters as shall be reasonable and appropriate in accordance with prudent business practice, and promptly and timely pay any and all maintenance, license, registration and other fees, taxes and expenses incurred in connection with any Intellectual Property Collateral.

(r) Notices, Reports and Information. The Grantor will (i) notify the Agent of any material claim made or asserted against the Collateral or any portion thereof by any Person and of any change in the composition of the Collateral or other event which could materially adversely affect the value of the Collateral or the Agent's Lien thereon; (ii) furnish to the Agent such statements and schedules further identifying and describing the Collateral and such other reports and other information in connection with the Collateral as the Agent may reasonably request, all in reasonable detail; and (iii) upon request of the Agent make such demands and requests for information and reports as the Grantor is entitled to make in respect of the Collateral.

(s) Subsidiaries. The Grantor shall not (A) create or permit to exist any Subsidiary except Aurora and VPT; or (B) permit Aurora to have any assets in excess of \$5,000 in the aggregate.

(t) Deposit Accounts. The Grantor will not permit to exist any Deposit Accounts except for Deposit Accounts which are subject to the Lien of the Pledge Agreement (Deposit Accounts).

SECTION 6 Collection of Rights to Payment. Until the Agent exercises its rights hereunder to collect Rights to Payment, the Grantor shall endeavor to collect in the first instance diligently and in the ordinary course of business all amounts due or to become due on or with respect to the Rights to Payment. At the request of the Agent, upon and after the occurrence of any Event of Default or Insolvency Default, all remittances received by the Grantor shall be held in trust for the Agent and, in accordance with the Agent's instructions, remitted to the Agent or deposited to an account with the Agent in the form received (with any necessary endorsements or instruments of assignment or transfer).

SECTION 7 Authorization; Agent Appointed Attorney-in-Fact. The Agent shall have the right to, in the name of the Grantor, or in the name of the Agent or otherwise, without notice to or assent by the Grantor, and the Grantor hereby constitutes and appoints the Agent (and any of the Agent's officers, employees or agents designated by the Agent) as the Grantor's true and lawful attorney-in-fact, with full power and authority to:

(i) following prior notice to the Grantor (which shall not be required at any time an Insolvency Default or Event of Default shall exist) sign any of the Financing Statements which must be executed or filed to perfect or continue perfected, maintain the priority of or provide notice of the Agent's security interest in the Collateral and file any such Financing Statements by electronic means with or without a signature as authorized or required by applicable law or filing procedures;

(ii) take possession of and endorse any notes, acceptances, checks, drafts, money orders or other forms of payment or security and collect any Proceeds of any Collateral;

(iii) sign and endorse any invoice or bill of lading relating to any of the Collateral, warehouse or storage receipts, drafts against customers or other obligors, assignments, notices of assignment, verifications and notices to customers or other obligors;

(iv) notify the Postal Service authorities to change the address for delivery of mail addressed to the Grantor to such address as the Agent may designate and, without limiting the generality of the foregoing, establish with any Person lockbox or similar arrangements for the payment of the Rights to Payment;

(v) receive, open and dispose of all mail addressed to the Grantor;

(vi) send requests for verification of Rights to Payment to the customers or other obligors of the Grantor;

(vii) contact, or direct the Grantor to contact, all account debtors and other obligors on the Rights to Payment and instruct such account debtors and other obligors to make all payments directly to the Agent;

(viii) assert, adjust, sue for, compromise or release any claims under any policies of insurance;

(ix) exercise dominion and control over, and refuse to permit further withdrawals from, the Deposit Accounts;

(x) notify each Person maintaining lockbox or similar arrangements for the payment of the Rights to Payment to remit all amounts representing collections on the Rights to Payment directly to the Agent;

(xi) ask, demand, collect, receive and give acquittances and receipts for any and all Rights to Payment, enforce payment or any other rights in respect of the Rights to Payment and other Collateral, grant consents, agree to any amendments, modifications or waivers of the agreements and documents governing the Rights to Payment and other Collateral, and otherwise file any claims, take any action or institute, defend, settle or adjust any actions, suits or

proceedings with respect to the Collateral, as the Agent may deem necessary or desirable to maintain, preserve and protect the Collateral, to collect the Collateral or to enforce the rights of the Agent with respect to the Collateral;

(xii) execute any and all applications, documents, papers and instruments necessary for the Agent to use the Intellectual Property Collateral and grant or issue any exclusive or non-exclusive license or sublicense with respect to any Intellectual Property Collateral;

(xiii) execute any and all endorsements, assignments or other documents and instruments necessary to sell, lease, assign, convey or otherwise transfer title in or dispose of the Collateral; and

(xiv) execute any and all such other documents and instruments, and do any and all acts and things for and on behalf of the Grantor, which the Agent may deem necessary or advisable to maintain, protect, realize upon and preserve the Collateral and the Agent's security interest therein and to accomplish the purposes of this Agreement.

The Agent agrees that, except upon and after the occurrence of an Event of Default or Insolvency Default, it shall not exercise the power of attorney, or any rights granted to the Agent, pursuant to clauses (ii) through (xiv). The foregoing power of attorney is coupled with an interest and irrevocable so long as any Bank has any Commitment or any Letter of Credit remains outstanding or any Swap Contract shall be in effect or the Liabilities have not been paid indefeasibly in cash and performed in full. The Grantor hereby ratifies, to the extent permitted by law, all that the Agent shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 7.

SECTION 8 Agent Performance of Grantor Obligations. The Agent may, but shall be under no obligation to, perform or pay any obligation which the Grantor has agreed to perform or pay under or in connection with this Agreement, and the Grantor shall reimburse the Agent on demand for any amounts paid by the Agent pursuant to this Section 8.

SECTION 9 Agent's Duties. Notwithstanding any provision contained in this Agreement, the Agent shall have no duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to the Grantor or any other Person for any failure to do so or delay in doing so. Beyond the exercise of reasonable care to assure the safe custody of Collateral in the Agent's possession and the accounting for moneys actually received by the Agent hereunder, the Agent shall have no duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Collateral.

SECTION 10 Remedies. (a) Upon the occurrence of any Event of Default, the Agent shall have, in addition to all other rights and remedies granted to it in this Agreement, the Credit Agreement or any other Loan Document, all rights and remedies of a secured party under the UCC and other applicable laws. Without limiting the generality of the foregoing, the Grantor agrees that the Agent may:

(i) peaceably and without notice enter any premises of the Grantor, take possession of any the Collateral, remove or dispose of all or part of the Collateral on any

premises or elsewhere, or, in the case of Equipment, render it nonfunctional, and otherwise collect, receive, appropriate and realize upon all or any part of the Collateral, and demand, give receipt for, settle, renew, extend, exchange, compromise, adjust, or sue for all or any part of the Collateral, as the Agent may determine;

(ii) require the Grantor to assemble all or any part of the Collateral and make it available to the Agent at any place and time reasonably designated by the Agent;

(iii) use or transfer any of the Grantor's rights and interests in any Intellectual Property Collateral, by license, by sublicense (to the extent permitted by an applicable license) or otherwise, on such conditions and in such manner as the Agent may determine;

(iv) secure the appointment of a receiver of the Collateral or any part thereof to the extent and in the manner provided by applicable law;

(v) withdraw (or cause to be withdrawn) any and all funds from Deposit Accounts; and

(vi) sell, resell, lease, use, assign, transfer or otherwise dispose of any or all of the Collateral in its then condition or following any commercially reasonable preparation or processing (utilizing in connection therewith any of the Grantor's assets, without charge or liability to the Agent therefor) at public or private sale, by one or more contracts, in one or more parcels, at the same or different times, for cash or credit, or for future delivery without assumption of any credit risk, all as the Agent deems advisable; provided, however, that the Grantor shall be credited with the net proceeds of sale only when such proceeds are finally collected by the Agent. The Agent shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption, which right or equity of redemption the Grantor hereby releases, to the extent permitted by law. The Grantor hereby agrees that the sending of notice by ordinary mail, postage prepaid, to the address of the Grantor set forth in the Credit Agreement, of the place and time of any public sale or of the time after which any private sale or other intended disposition is to be made, shall be deemed reasonable notice thereof if such notice is sent ten days prior to the date of such sale or other disposition or the date on or after which such sale or other disposition may occur, provided that the Agent may provide the Grantor shorter notice or no notice, to the extent permitted by the UCC or other applicable law.

(b) License. For the purpose of enabling the Agent to exercise its rights and remedies under this Section 10 or otherwise in connection with this Agreement, the Grantor hereby grants to the Agent an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to the Grantor) to use, license or sublicense any Intellectual Property Collateral.

(c) Proceeds Account. To the extent that any of the Liabilities may be contingent, unmatured or unliquidated (including with respect to undrawn amounts under any Letter of Credit or contingent amounts due under any Swap Contract) at such time as there may exist an Event of Default or Insolvency Default, the Agent may, at its election, (i) retain the proceeds of any sale, collection, disposition or other realization upon the Collateral (or any portion thereof) in a special purpose non-interest-bearing restricted deposit account (the

“Proceeds Account”) created and maintained by the Agent for such purpose (which shall constitute a Deposit Account included within the Collateral hereunder) until such time as the Agent may elect to apply such proceeds to the Liabilities, and the Grantor agrees that such retention of such proceeds by the Agent shall not be deemed strict foreclosure with respect thereto; (ii) in any manner elected by the Agent, estimate the liquidated amount of any such contingent, unmatured or unliquidated claims and apply the proceeds of the Collateral against such amount; or (iii) otherwise proceed in any manner permitted by applicable law. The Grantor agrees that the Proceeds Account shall be a blocked account and that upon the irrevocable deposit of funds into the Proceeds Account, the Grantor shall not have any right of withdrawal with respect to such funds. Accordingly, the Grantor irrevocably waives until the termination of the security interests granted under this Agreement in accordance with Section 25 hereof any and all rights to such fund and the right to demand or request the withdrawal of the same.

(d) Application of Proceeds. Subject to subsection (c) immediately above, the cash proceeds actually received from the sale or other disposition or collection of Collateral, and any other amounts received in respect of the Collateral the application of which is not otherwise provided for herein, shall be applied (after payment of any amounts payable to the Agent pursuant to Sections 8 and 15 hereof in whole or in part by the Agent for the benefit of the Lender Parties against all or any part of the Liabilities) in the following order: (i) first, to any reasonable fees, costs, or other expenses due under the Loan Documents; (ii) second, to any interest (including interest due under Section 3.1(c) of the Credit Agreement and any default interest under any Swap Contract); (iii) third, to any principal due under the Loan Documents; (iv) fourth, to any and all other Liabilities (including Secured Swap Obligations). Any surplus thereof which exists after payment and performance in full of the Liabilities shall be promptly paid over to the Grantor or otherwise disposed of in accordance with the UCC or other applicable law. The Grantor shall remain liable to the Agent for any deficiency which exists after any sale or other disposition or collection of Collateral.

SECTION 11 Certain Waivers. The Grantor waives, to the fullest extent permitted by law, (i) any right of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling of the Collateral or other collateral or security for the Liabilities; (ii) any right to require the Agent (A) to proceed against any Person, (B) to exhaust any other collateral or security for any of the Liabilities, (C) to pursue any remedy in the Agent's power, or (D) to make or give any presentments, demands for performance, notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any of the Collateral; and (iii) all claims, damages, and demands against the Agent arising out of the repossession, retention, sale or application of the proceeds of any sale of the Collateral.

SECTION 12 Reserved.

SECTION 13 Notices. All notices or other communications hereunder shall be given in the manner and to the addresses specified in the Credit Agreement. All such notices and other communications shall be effective (i) if delivered by hand or pre-paid courier service, when delivered; (ii) if sent by mail, upon the earlier of the date of receipt or five Business Days after deposit in the mail, first class, postage prepaid; (iii) if sent by telex, upon receipt by the sender of an appropriate answerback; and (iv) if sent by facsimile transmission, when sent.

SECTION 14 No Waiver; Cumulative Remedies. No failure on the part of the Agent to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to the Agent.

SECTION 15 Costs and Expenses; Indemnification; Other Charges. Costs and Expenses. The Grantor agrees to pay on demand:

(i) the reasonable out-of-pocket costs and expenses of the Agent and any of its Affiliates, and the Agent's reasonable Attorney Costs, in connection with the negotiation, preparation, execution, delivery and administration of this Agreement, and any amendments, modifications or waivers of the terms thereof, and the custody of the Collateral;

(ii) all audit, consulting, search, recording, filing and similar costs, fees and expenses incurred or sustained by the Agent or any of its Affiliates in connection with this Agreement or the Collateral, provided that as long as no Event of Default or Insolvency Default exists, the Grantor shall not be obligated to pay for more than one such audit in any 12-month period; and

(iii) all reasonable costs and expenses of the Agent and its Affiliates, including Attorney Costs, in connection with the enforcement or attempted enforcement of, and preservation of any rights or interests under, this Agreement, including in any out-of-court workout or other refinancing or restructuring or in any Insolvency Proceeding, and the protection, sale or collection of, or other realization upon, any of the Collateral, including all expenses of taking, collecting, holding, sorting, handling, preparing for sale, selling, or the like, and other such expenses of sales and collections of Collateral, and any and all losses, costs and expenses sustained by the Agent as a result of any failure by the Grantor to perform or observe its obligations contained herein.

(a) Indemnification. The Grantor hereby jointly and severally agrees to indemnify the Agent, the Lender Parties, any Affiliate of any of them, and their respective directors, officers, employees, agents, counsel and other advisors (each an "Indemnified Person") against, and hold each of them harmless from, any and all liabilities, obligations, losses, claims, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including the reasonable fees and disbursements of counsel to an Indemnified Person (including Attorney Costs), which may be imposed on, incurred by, or asserted against any Indemnified Person, in any way relating to or arising out of this Agreement or the transactions contemplated hereby or any action taken or omitted to be taken by it hereunder (the "Indemnified Liabilities"); provided that the Grantor shall not be liable to any Indemnified Person for any portion of such Indemnified Liabilities to the extent they are found by a final decision of a court of competent jurisdiction to have resulted from such Indemnified Person's gross negligence or willful misconduct. If and to the extent that the foregoing indemnification is for any reason held unenforceable, the Grantor agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

(b) Other Charges. The Grantor agrees to indemnify the Agent against and hold it harmless from any and all present and future stamp, transfer, documentary and other such taxes, levies, fees, assessments and other charges made by any jurisdiction by reason of the execution, delivery, performance and enforcement of this Agreement.

(c) Interest. Any amounts payable to the Agent under this Section 15 or otherwise under this Agreement if not paid upon demand shall bear interest from the date of such demand until paid in full, at the rate of interest set forth in Section 3.1(c) of the Credit Agreement (*i.e.*, the Eurodollar Rate (Reserve Adjusted) or the Alternate Reference Rate, as the case may be, plus the applicable Margin, plus 2% per annum).

(d) Liabilities. The term "Liabilities" as defined in Section 1 hereof shall be deemed to include the Grantor's obligations under this Section 15 and the Grantor's obligations under Section 8.

SECTION 16 Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Grantor, the Agent and their respective successors and assigns. The Grantor shall not assign its obligations hereunder without the prior written consent of the Agent.

SECTION 17 Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND TO THE EXTENT THE VALIDITY OR PERFECTION OF THE SECURITY INTERESTS HEREUNDER, OR THE REMEDIES HEREUNDER, IN RESPECT OF ANY COLLATERAL ARE GOVERNED BY THE LAW OF A JURISDICTION OTHER THAN ILLINOIS, PROVIDED THAT THE AGENT SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.**

SECTION 18 Forum Selection and Consent to Jurisdiction. **ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE GRANTOR AND THE AGENT CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. THE GRANTOR AND THE AGENT EACH IRREVOCABLY WAIVE ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. THE GRANTOR AND THE AGENT EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY ILLINOIS LAW.**

SECTION 19 Waiver of Jury Trial. **THE GRANTOR AND THE AGENT EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED**

TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE GRANTOR AND THE AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

SECTION 20 Entire Agreement; Amendment. This Agreement, together with Loan Documents, contains the entire agreement of the parties with respect to the subject matter hereof and shall not be amended except by the written agreement of the parties hereto as provided in the Credit Agreement. This Agreement is a "Collateral Document" and a "Loan Document", each as defined in the Credit Agreement.

SECTION 21 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement, or the validity or effectiveness of such provision in any other jurisdiction.

SECTION 22 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts and additional Persons may become a Grantor hereunder by executing a counterpart of this Agreement or by executing a supplement hereto, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

SECTION 23 Incorporation of Provisions of the Credit Agreement. To the extent the Credit Agreement contains provisions of general applicability to the Loan Documents, including any such provisions contained in Section 15 thereof, such provisions are incorporated herein by this reference.


SECTION 24 No Inconsistent Requirements. The Grantor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 25 Termination. Upon termination of the Commitments of the Banks under the Loan Documents, the surrender of any Letters of Credit issued by any Letter of Credit issuing Bank for the account of the Grantor, termination of all Swap Contracts, and payment and performance in full of all Liabilities (including indefeasible payment in full in cash of all Liabilities consisting of monetary obligations), the security interests granted under this Agreement shall terminate and the Agent shall, at the expense of the Grantor, promptly execute and deliver to the Grantor such documents and instruments reasonably requested by the Grantor as shall be necessary to evidence termination of all security interests given by the Grantor to the Agent hereunder; provided, however, that the obligations of the Grantor under Sections 15 and 8 hereof shall survive such termination.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

THE GRANTOR

ALLIED PRODUCTS CORPORATION

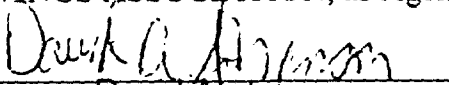
By: 
Title: President

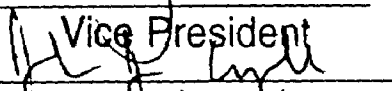
Address:

10 South Riverside Plaza
Chicago, Illinois 60606
Attention: Richard Drexler

THE AGENT

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as Agent

By: 
Title: David A. Johanson

By: 
Title: Vice President

Schedule 1
to the Agreement

1. **Locations of Chief Executive Office and Other Locations, Including of Collateral** (§§4(a), 5(e))
 - a. Chief Executive Office and Principal Place of Business:
 - b. Other locations where the Grantor conducts business or Collateral is kept:
2. **Locations of Books Pertaining to Rights to Payment** (§§4(b), 5(d))
3. **Trade Names; Other Corporate, Trade or Fictitious Names, Etc.** (§§4(c), 5(f))
4. **Inventory Stored with Warehousemen or on Leased Premises, Etc.** (§4(h))
5. **Patents, Copyrights, Trademarks, Etc.** (§4(i))
6. **Leased Equipment.** (§4(j)).
7. **Deposit Accounts** (§4(k))

SCHEDULE 1
TO THE SECURITY AGREEMENT

Locations of Chief Executive Office and Other Locations, Including Locations of Collateral

A. Chief Executive Office and Principal Place of Business (§ 4(a)):

1. Allied Products Corporation
10 S. Riverside Plaza
Chicago, IL 60606-3708

B. Other Locations, Including Locations of Collateral (§§ 4(a), 5(e)):

1. *Bush Hog, a division of Allied Products Corporation*
 - 2501 Griffin Avenue, Selma, AL 36701 Covington County
 - Selfield Industrial Park, Selma, AL 36703 Covington County
 - 408 S. Westover Blvd., Albany, GA 31707 Dougherty County
 - 120 Industrial Park, Waco, TX 76714 McLinnon County
 - 207 W. Moxee Avenue, Moxee, WA 98936 Yakima County
 - 3200 East Central, Fresno, CA 93725 Fresno County
 - 46 Fairgrounds Rd., Stanford, KY 40484 Lincoln County
 - 103 Hodsman Road, Regina, SASK, CANADA S4N 5W5
 - 24 Brian Drive, Burford, ONT, CANADA N0E 1A0
 - 7303 Vine Street Court, Davenport, IA 52806 Scott County
 - 307 Kingston Highway, Opp, AL 36467 Dallas County
2. *Great Bend, a division of Allied Products Corporation*
 - 705 S. Harrison, Great Bend, KS 67530 Barton County
3. *Verson, a division of Allied Products Corporation*
 - 1355 East 93rd St., Chicago, IL 60619 Cook County
 - 2400 E. State Rd. 130, Hobart, IN 46342 Lake County

SCHEDULE 1
TO THE SECURITY AGREEMENT

Locations of Books Pertaining to Rights to Payment (§§4(g), 5(d))

1. *Allied Products Corporation*
 - 10 S. Riverside Plaza, Chicago, IL 60606-3708

2. *Bush Hog, a division of Allied Products Corporation*
 - Selfield Industrial Park, Selma, AL 36703

3. *Great Bend, a division of Allied Products Corporation*
 - 705 S. Harrison, Great Bend, KS 67530

4. *Verson, a division of Allied Products Corporation*
 - 1355 East 93rd St., Chicago, IL 60619

**SCHEDULE 1
TO THE SECURITY AGREEMENT**

Names under which Grantor Conducts Business (§§ 4(c), 5(f))

A. Names under which Grantor Conducts Business:

1. *Allied Products Corporation*
2. *Bush Hog, a division of Allied Products Corporation*
3. *Great Bend, a division of Allied Products Corporation*
4. *Verson, a division of Allied Products Corporation*
5. *Precision Press Industries, a division of Allied Products Corporation*
6. *PPI*

B. Name Changes, Mergers or Asset Purchases within the Past Five (5) Years:

1. Asset Purchase Agreement dated as of March 27, 1998 by and among Allied Products Corporation, Great Bend Manufacturing Company, Inc. and Owosso Corporation.
2. Asset Purchase Agreement dated as of April 9, 1998 by and between Universal Turf Equipment Corporation and Don Cotton, its sole shareholder, and Allied Products Corporation.

SCHEDULE 1
TO THE SECURITY AGREEMENT

Inventory Stored with Warehouseman or on Leased Premises (§4(h))

Inventory is stored at the following leased premises:

- 408 S. Westover Blvd., Albany, GA 31707
- 120 Industrial Park, Waco, TX 76714
- 207 W. Moxee Avenue, Moxee, WA 98936
- 3200 East Central, Fresno, CA 93725
- 46 Fairgrounds Rd., Stanford, KY 40484
- 103 Hodsman Road, Regina, SASK, CANADA S4N 5W5
- 24 Brian Drive, Burford, ONT, CANADA N0E 1A0
- 7303 Vine Street Court, Davenport, IA 52806
- 307 Kingston Highway, Opp, AL 36467

SCHEDULE 1
TO THE SECURITY AGREEMENT

Intellectual Property(\$4(i))

A. Allied Products Corporation and Bush Hog Corporation (now dissolved) license from Kuhn, S.A. the right to use U.S. Patent Nos. 4,365,462, 4,811,553 and 4,947,629 (all in re: modular rotary disc mowers and modular rotary disc mowers combined with a treating mechanism and/or crop transporter).

B. In addition to the Intellectual Property registered under, or applied for by, Allied Products Corporation, Bush Hog, Great Bend and Verson described in the documents attached hereto and made a part hereof, the following patent has been issued to Verson, a Division of Allied Products Corporation:

<u>Description</u>	<u>Patent No.</u>	<u>Issue Date</u>
Orientation station for multi-station metal-forming machines	5,875,673	03/02/99

VERSON, A DIVISION OF ALLIED PRODUCTS CORPORATION

U.S. PATENTS - PENDING

<u>Description</u>	<u>Application No.</u>	<u>Filing Date</u>
Bridge Frame for a Transfer Press	09/016,718	01/30/98
Bridge Press	09/016,755	01/30/98
Transfer Press Die Support	09/016,016	01/30/98
System for Rotation of Cross Bars in a Multiple Station Transfer Press	09/238,073	01/27/99

U.S. PATENTS - ISSUED

<u>Description</u>	<u>Patent No.</u>	<u>Issue Date</u>
Transfer Finger Shift Apparatus for Transfer Presses	5,054,306	10/08/91
Transfer Finger Shift Apparatus for Transfer Presses Having Mechanically Driven Transfer Feeds	5,097,695	03/24/92
Method for Changing Transfer Fingers in a Transfer Press	5,121,623	06/16/92
System and Method for Transferring a Work Piece in a Multi-Station Press	5,632,181	05/27/97
System and Method for Rotation of Cross Bars in a Multiple Station Transfer Press	5,722,283	03/03/98
Method for Transferring a Work Piece in a Multi-Station Press	5,782,129	07/21/98
System for Rotation of Cross Bars in a Multiple Station Transfer Press	5,865,058	02/02/99

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026420 0120

FOREIGN PATENTS - PENDING

<u>Description</u>	<u>Country</u>	<u>Application No.</u>	<u>Filing Date</u>
System and Method for Transferring a Work Piece in a Multi-Station Press	Malaysia	PI9600617	02/16/96
System and Method for Transferring a Work Piece in a Multi-Station Press	Indonesia	P960430	02/19/96
Multi-Station Press Transferring System and Method	Brazil	PI960396021	02/13/96
Multi-Station Press Transferring System and Method	Canada	2212297	02/13/96
Multi-Station Press Transferring System and Method	China	96192007.6	02/13/96
Multi-Station Press Transferring System and Method	European Community	96906413.8	02/13/96
Multi-Station Press Transferring System and Method	Finland	973465	02/13/96
Multi-Station Press Transferring System and Method	Japan	525729/96	02/13/96
Multi-Station Press Transferring System and Method	Mexico	9706167	02/13/96
Multi-Station Press Transferring System and Method	South Korea	705906/97	02/13/96
Orientation Station for Multi-Station Metal-Forming Machines	PCT	PCT/US98/27611	12/28/98
Orientation Station for Multi-Station Metal-Forming Machines	Malaysia	PI9805918	12/29/98
Bridge Press	PCT	PCT/US99/01909	01/28/99

FOREIGN PATENTS - PENDING (Continued)

<u>Description</u>	<u>Country</u>	<u>Application No.</u>	<u>Filing Date</u>
Bridge Press	Malaysia	PI9900320	01/29/99
Bridge Frame for a Transfer Press	PCT	PCT/US99/01941	01/28/99
Bridge Frame for a Transfer Press	Malaysia	PI9900328	01/29/99

FOREIGN PATENTS - GRANTED

<u>Description</u>	<u>Country</u>	<u>Patent No.</u>	<u>Issue Date</u>
Transfer Finger Shift Apparatus for Transfer Presses	Canada	2034212	05/07/96

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<u>Description</u>	<u>Registration No.</u>	<u>Issue Date</u>
Verson Transfer Press with ETF; Verson Transfer Press	PA477305	07/03/90

VERSON CORPORATION

U.S. PATENTS - ISSUED

<u>Description</u>	<u>Patent No.</u>	<u>Issue Date</u>
Orientation Station for Multi-Station Metal-Forming Machines	5,875,673	03/02/99

U.S. TRADEMARKS - ISSUED

<u>Trademark</u>	<u>Registration No.</u>	<u>Issue Date</u>
ETF	2,131,004	01/20/98

COPYRIGHTS - ISSUED

<u>Description</u>	<u>Registration No.</u>	<u>Issue Date</u>
Layout MISV 2-22 Brake	VAu247911	03/25/93

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VERSON ALLSTEEL PRESS COMPANY

U.S. PATENTS - ISSUED

<u>Description</u>	<u>Patent No.</u>	<u>Issue Date</u>
Press Clutch Control System	4,625,850	12/02/86
Fault Detection System for Continuously Running Transfer Press	4,627,253	12/09/86

FOREIGN PATENTS - GRANTED

<u>Description</u>	<u>Country</u>	<u>Patent No.</u>	<u>Issue Date</u>
Method and Apparatus for Drawing Heavy Wall Shells	Canada	1220986	04/28/87
Method and Apparatus for Drawing Heavy Wall Shells with a Multi-Step Inside Edge	Canada	1220166	04/07/87
Fault Detection System for Continuously Running Transfer Press	Canada	1228657	10/27/87

ALLIED PRODUCTS CORPORATION

FOREIGN PATENTS - GRANTED

<u>Description</u>	<u>Country</u>	<u>Patent No.</u>	<u>Issue Date</u>
Method and Apparatus for Embossing the Inside Surface of a Cup-Shaped Article	Israel	85735	09/11/91

U.S. TRADEMARKS - PENDING

<u>Trademark</u>	<u>Application No.</u>	<u>Filing Date</u>
BRIDGE FRAME	75/403,173	12/10/97

U.S. TRADEMARKS - ISSUED

<u>Trademark</u>	<u>Registration No.</u>	<u>Issue Date</u>
DYNAMIC ORIENTATION	2,189,603	09/15/98
MULTIMODE	2,191,610	09/22/98

FOREIGN TRADEMARKS - PENDING

<u>Trademark</u>	<u>Country</u>	<u>Application No.</u>	<u>Filing Date</u>
BRIDGE FRAME	Canada	876727	04/29/98
BRIDGE FRAME	European Community	794065	03/25/98
BRIDGE FRAME	Japan	26743/98	04/01/98
BRIDGE FRAME	South Korea	98-8608	03/31/98
BRIDGE FRAME	Malaysia	98/10167	09/03/98
DYNAMIC ORIENTATION	Canada	809815	04/15/96
DYNAMIC ORIENTATION	Malaysia	96/03918	04/16/96
ETF	Canada	809816	04/15/96
ETF	China	960045912	04/12/96
ETF	Malaysia	96/03919	04/16/96
ETF	European Community	223420	04/12/96

	Korea		
DYNAMIC ORIENTATION	Mexico	547896	04/30/97
DYNAMIC ORIENTATION	European Community	223404	05/22/98
ETF	Japan	4069237	10/17/97
ETF	South Korea	409773	07/14/98
ETF	Mexico	547897	04/30/97
HYDROFORM	United Kingdom	942558	05/14/90
VERSON	Israel	78305	12/08/93
VERSON	Benelux	095257	12/20/88
VERSON & Design	Canada	260432	07/03/96

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028-420 0120

**VERSON CORPORATION, A SUBSIDIARY
OF ALLIED PRODUCTS CORPORATION**

COPYRIGHTS - ISSUED

<u>Description</u>	<u>Registration No.</u>	<u>Issue Date</u>
Instruction manual for version ETF (electronic transfer feed): How to determine the optimum production rate of stampings in transfer presses equipped with Verson ETF.	TX3542702	03/22/93

1/2/1

DIALOG(R)File 120:US Copyrights
(c) format only 1999 The Dialog Corp. All rts. reserv.

08100807

Instruction manual for version ETF (electronic transfer feed) : How to determine the optimum production rate of stampings in transfer presses equipped with Verson ETF.

CLASS: TX (Textual Works)

LC RETRIEVAL CODE: B (Monographic works of a non-dramatic literary nature)

STATUS: Registered

REGISTRATION NUMBER: TX3542702

DATE REGISTERED: March 22, 1993 (19930322)

DATE OF CREATION: 1993

DATE OF PUBLICATION: January 20, 1993

AUTHOR(s): Verson Corporation; Allied Products Corporation;
Verson Corporation

OWNER(s): Verson Corporation , subsidiary of Allied Products Corporation

NLS/BPH RIGHTS: Both braille and phonorecords

REGISTRATION DEPOSIT: Sheets.

1/2/2

DIALOG(R)File 120:US Copyrights
(c) format only 1999 The Dialog Corp. All rts. reserv.

07920954

Layout MISV 2-22 brake.

CLASS: VA (Visual Arts); unpublished

LC RETRIEVAL CODE: S (Miscellaneous)

STATUS: Registered

REGISTRATION NUMBER: VAn247911

DATE REGISTERED: March 25, 1993 (19930325)

DATE OF CREATION: 1989

AUTHOR(s): Allied Products Corporation

APPLICATION AUTHOR(s): Allied Products Corporation, employer for hire.

OWNER(s): Verson Corporation

REGISTRATION DEPOSIT: Technical drawing.

2/9/2

DIALOG(R)File 120:US Copyrights

(c) format only 1999 The Dialog Corp. All rts. reserv.

06610390

Verson transfer press with electronic transfer feed.

APPLICATION TITLE: Verson transfer press with ETF; Verson transfer press

CLASS: PA (Performing Arts)

LC RETRIEVAL CODE: X (Motion pictures, photoplays, filmstrips)

STATUS: Registered

REGISTRATION NUMBER: PA477305

DATE REGISTERED: July 03, 1990 (19900703)

DATE OF CREATION: 1990

DATE OF PUBLICATION: June 15, 1990

AUTHOR(s): Allied Products Corporation; Verson; [Verson, a division of Allied Products Corporation]

OWNER(s): Verson, a division of Allied Products Corporation

REFERENCE: Verson, a division of Allied Products Corporation.

SEE Allied Products Corporation. Verson.

REGISTRATION DEPOSIT: 1 videocassette.

MISCELLANEOUS: C.O. corres.

2/9/4

DIALOG(R)File 120·US Copyrights

(c) format only 1999 The Dialog Corp. All rts. reserv.

06534611

Verson die manual & 13 other titles. Collateral assignment of proprietary rights and security agreement.

PARTY OF THE FIRST: Allied Products Corporation

PARTY OF THE SECOND: Continental Bank, N.A., as agent. (Release)

DOC TYPE: Assignment of Copyright

WORKS: Verson die manual, a handbook of press brake dies, punching attachments, and press brakes. AA91632 (1948)

Verson transmat presses. KK72414 (1952)

Verson hydraulic presses. AA227134 (1952)

Verson presses and tooling for hot extrusion of large caliber projectiles. A83832 (1953)

Verson-Wheelon maintenance manual. A116187 (1953)

Verson knuckle presses. A124306 (1954)

Open back presses. A169426 (1954)

Verson press brakes. A188368 (1955)

Verson high speed presses. A188369 (1955)

Verson die manual. A265631 (1956, in notice: 1957)

Industry's most modern facilities at your service. A294071 (1957)

Littell compact coil-to-press line for automotive stamping . No. 182363 (1964)

Littell high speed coil-to-press equipment automotive production. No. 182364 (1964)

Littell automotive coil-to-press lines for heavy steel strip. No. 182365 (1964)

DATE(s) OF EXECUTION: as of January 24, 1990; January 22, 1990

DATE RECORDED: February 01, 1990

MICROFILM: V002517 P219

2/9/3

DIALOG(R)File 120:US Copyrights

(c) format only 1999 The Dialog Corp. All rts. reserv.

06567439

Verson die manual, a handbook of press brake dies ... & 13 other titles.

PARTY OF THE FIRST: Allied Products Corporation

PARTY OF THE SECOND: Continental Bank, N.A., as agent.;

[Continental Bank, N.A., Chicago]

DOC TYPE: Assignment of Copyright

WORKS: Verson die manual, a handbook of press brake dies ...

AA91632 (1948)

Verson transmat presses. KK72414 (1952)

Verson hydraulic presses. AA227134 (1952)

Verson presses and tooling for hot extrusion ... A83832
(1953)

Verson-Wheelon maintenance manual. A116187 (1953)

Verson knuckle presses. A124306 (1954)

Open back presses. A169426 (1945)

Verson press brakes. A188368 (1955)

Verson high speed presses. A188369 (1955)

Verson die manual. A265631 (1956)

Industry's most modern facilities at your service. A294071
(1957)Littell compact coil-to-press line for automotive stamping
. No. 182363 (1984)Littell high speed coil-to-press equipment automotive
production No. 182364 (1964)Littell automotive coil-to-press lines for heavy steel
strip. No. 182365 (1964)

DATE(s) OF EXECUTION: December 15, 1989

DATE RECORDED: January 12, 1990

MICROFILM: V002527 P121

2/9/5

DIALOG(R)File 120:US Copyrights

(c) format only 1999 The Dialog Corp. All rts. reserv.

06534610

Verson die manual & 13 other titles. Termination of security interest.

PARTY OF THE FIRST: Continental Bank, N.A.

PARTY OF THE SECOND: Allied Products Corporation

DOC TYPE: Assignment of Copyright

WORKS: Verson die manual, a handbook of press brake dies,
punching attachments, and press brakes. AA91632 (1948)

Verson transmat presses. KK72414 (1952)

Verson hydraulic presses. AA227134 (1952)

Verson presses and tooling for hot extrusion of large
caliber projectiles. A83832 (1953)

Verson-Wheelon maintenance manual. A116187 (1953)

Verson knuckle presses. A124306 (1954)

Open back presses. A169426 (1954)

Verson press brakes. A188368 (1955)

Verson high speed presses. A188369 (1955)

Verson die manual. A265631 (1956, in notice: 1957)

Industry's most modern facilities at your service. A294071
(1957)Littell compact coil-to-press line for automotive stamping
. No. 182363 (1964)Littell high speed coil-to-press equipment automotive
production. No. 182364 (1964)Littell automotive coil-to-press lines for heavy steel
strip. No. 182365 (1964)

DATE(s) OF EXECUTION: January 24, 1990

DATE RECORDED: February 01, 1990

MICROFILM: V002517 P153

ALLIED PRODUCTS CORPORATION
*** U.S. ISSUED PATENTS ***

TITLE: Tillage Implement having Independent Depth Control

INVENTOR(S): Moore Jr., Fred P.

SERIAL NO.: 158,382
PATENT NO.: 4,865,132

FILING DATE: 2/22/88
ISSUE DATE: 9/12/89

TITLE: Reel Assembly for Mower

INVENTOR(S): Cotton, Donald F.

SERIAL NO.: 837,251
PATENT NO.: 5,291,724

FILING DATE: 2/14/92
ISSUE DATE: 3/08/94

TITLE: Drivetrain and Load Bearing Swivel Hitch Assembly and
Combine Incorporating Same

INVENTOR(S): Austin, Gregg A. Coppock, Gary E.

SERIAL NO.: 098,135
PATENT NO.: 5,355,971

FILING DATE: 7/28/93
ISSUE DATE: 10/18/94

TITLE: Reel Assembly for Mower

INVENTOR(S): Cotton, Donald F.

SERIAL NO.: 109,251
PATENT NO.: 5,477,666

FILING DATE: 8/20/93
ISSUE DATE: 12/26/95

TITLE: Drivetrain and Load Bearing Swivel Hitch Assembly and
Combine Incorporating Same

INVENTOR(S): Austin, Gregg A. Coppock, Gary E.

SERIAL NO.: 297,602
PATENT NO.: 5,531,283

FILING DATE: 8/29/94
ISSUE DATE: 7/02/96

TITLE: Rotary Cutter with Counterrotation Gearbox

INVENTOR(S): Lurwig, Fred W.

SERIAL NO.: 319,937
PATENT NO.: 5,450,714

FILING DATE: 10/07/94
ISSUE DATE: 9/19/95

TRADEMARK

REEL: 001902 FRAME: 0896

ALLIED PRODUCTS CORPORATION
*** U.S. ISSUED PATENTS ***

TITLE: Implement and Hitch

INVENTOR(S): Golson, Jr. Charles, A. Britton, George E.

SERIAL NO.: 388,195
PATENT NO.: 5,536,032

FILING DATE: 2/13/95
ISSUE DATE: 7/16/96

TITLE: Rotary Cutter With Reversable Counterrotation Gearbox

INVENTOR(S): Harrington, Jackie L. Lurwig, Fred W.

SERIAL NO.: 526,274
PATENT NO.: 5,626,007

FILING DATE: 9/11/95
ISSUE DATE: 5/06/97

TITLE: Counterrotation Mulching Mower

INVENTOR(S): Britton, George E.

SERIAL NO.: 553,074
PATENT NO.: 5,669,213

FILING DATE: 11/03/95
ISSUE DATE: 9/23/97

TITLE: Counterrotation Mulching Mower and Blade Assembly

INVENTOR(S): Hastings, Dawson W.; Johnson, Charlie C.;

SERIAL NO.: 818,882
PATENT NO.: 5,809,765

FILING DATE: 3/17/97
ISSUE DATE: 9/22/98

ALLIED PRODUCTS CORPORATION
*** FOREIGN PATENT FILING DATA ***
ISSUED PATENTS

COUNTRY: Canada

TITLE: Rotary Mower Having Ground Supported Frames

INVENTOR(S): Hottes, Ronald W.

PATENT NO.: 1,260,719

GRANT/ISSUE DATE: 9/26/89

COUNTRY: Mexico

TITLE: Rotary Mower with Counter-Rotation Gearbox

INVENTOR(S): Lurwig, Fred W.

PATENT NO.: 189522

GRANT/ISSUE DATE: 8/03/98

ALLIED PRODUCTS CORPORATION
*** FOREIGN PATENT FILING DATA ***
PENDING APPLICATIONS

COUNTRY: Canada

TITLE: Rotary Cutter With Counterrotation Gearbox

INVENTOR(S): Lurwig, Fred W.

APPLICATION NO.: 2,159,662

FILING DATE: 10/02/95

COUNTRY: Canada

TITLE: Implement and Hitch

INVENTOR(S): Golson, Charles A. Britton, George E.

APPLICATION NO.: 2,169,395

FILING DATE: 2/13/96

COUNTRY: Canada

TITLE: Counterrotation Mulching Mower

INVENTOR(S): Britton, George

APPLICATION NO.: 2,188,491

FILING DATE: 10/22/96

COUNTRY: Canada

TITLE: Counterrotation Mulching Mower and Blade Assembly

INVENTOR(S): Hastings, Dawson W.; Johnson, Charles:

APPLICATION NO.: 2,232,127

FILING DATE: 3/16/98

COUNTRY: Canada

TITLE: Mulyti-Deck Mower and Drive System

INVENTOR(S): Hastings, Dawson W.; Britton, George E.;

APPLICATION NO.: 2,233,926

FILING DATE: 4/03/98

COUNTRY: Mexico

TITLE: Drivetrain and Load Bearing Swivel Hitch Assembly and Combine

INVENTOR(S): Austen, Gregg Coppock, Gary

APPLICATION NO.: 945628

FILING DATE: 7/22/94

TRADEMARK

REEL: 001902 FRAME: 0899

ALLIED PRODUCTS CORPORATION
*** U.S. REGISTERED TRADEMARKS ***

TRADE/SERVICE MARK: BUSH-HOG

REGISTRATION NUMBER 595,490

REGISTRATION DATE 9-21-54

TRADE/SERVICE MARK: BUSH HOG

REGISTRATION NUMBER 1,040,858

REGISTRATION DATE 6-8-76

TRADE/SERVICE MARK: DESIGN MISCELLANEOUS (WILD BOAR)

REGISTRATION NUMBER 1,045,291

REGISTRATION DATE 8-3-76

TRADE/SERVICE MARK: RO-TILL

REGISTRATION NUMBER 1,466,978

REGISTRATION DATE 12-1-87

TRADE/SERVICE MARK: TURF HOG

REGISTRATION NUMBER 1,524,174

REGISTRATION DATE 2-14-89

TRADE/SERVICE MARK: LOADCRAFT

REGISTRATION NUMBER 1,547,274

REGISTRATION DATE 7-11-89

TRADE/SERVICE MARK: ROW TOPPER

REGISTRATION NUMBER 1,774,935

REGISTRATION DATE 6/08/93

TRADE/SERVICE MARK: PERMA-LEVEL

REGISTRATION NUMBER 2,059,763

REGISTRATION DATE 5/6/97

TRADE/SERVICE MARK: WE MAKE YOU LOOK YOUR BEST

REGISTRATION NUMBER 2,151,327

REGISTRATION DATE 4/14/98

TRADEMARK

REEL: 001902 FRAME: 0900

ALLIED PRODUCTS CORPORATION
*** U.S. REGISTERED TRADEMARKS ***

TRADE/SERVICE MARK: Zero Turn

REGISTRATION NUMBER 2,182,592

REGISTRATION DATE 8/18/98

ALLIED PRODUCTS CORPORATION
*** U.S. TRADEMARK PENDING APPLICATIONS ***

TRADE/SERVICE MARK: MULCH PRO

SERIAL NO.: 364,340

FILING DATE: 9/29/97

TRADE/SERVICE MARK: BUSH HOG and Wild Boar Logo

SERIAL NO.: 370,288

FILING DATE: 10/08/97

TRADE/SERVICE MARK: BUSH HOG with Wild Boar Logo

SERIAL NO.: 498,599

FILING DATE: 6/09/98

TRADE/SERVICE MARK: BUSH HOG and Wild Boar Logo

SERIAL NO.: 498,624

FILING DATE: 6/09/98

ALLIED PRODUCTS CORPORATION
*** FOREIGN TRADEMARK FILING DATA ***
REGISTERED TRADEMARKS

COUNTRY: Mexico
TRADEMARK: Wild Boar Design
REGISTRATION NO.: 534634

REGISTRATION DATE: 10/28/96

COUNTRY: Mexico
TRADEMARK: Bush Hog
REGISTRATION NO.: 564552

REGISTRATION DATE: 11/26/97

Great Bend

PATENT ASSIGNMENT

In consideration of One Dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in connection with the sale and transfer by Great Bend Manufacturing Company, Inc., a Kansas corporation ("Seller"), and the purchase by Allied Products Corporation, a Delaware corporation ("Buyer"), of certain assets, rights, liabilities, and obligations of Seller, Seller hereby assigns to Buyer and its successors and assigns:

1. The entire right, title and interest in and to the invention covered by the patent for the Quick Attach Tractor Mounting Assembly for Agricultural Dozer and Loader Implement, including but not limited to, Seller's United States patent registration for the Quick Attach Tractor Mounting Assembly for Agricultural Dozer and Loader Implement, U.S. Patent No. 4,554,978;
2. The entire right, title, and interest in and to the invention covered by the patent for the Quick Attach System for Front End Loader, including but not limited to, Seller's United States patent registration for the Quick Attach System for Front End Loader, U.S. Patent No. 5,685,689; and
3. The right to sue any past or continuing infringer of such patents including all right, title and interest in and to any and all damages for such infringements.

This Patent Assignment shall be governed by and construed in accordance with the internal laws of the State of Kansas.

Great Bend Manufacturing Company, Inc.

April 23, 1998

By: [Signature]
 Name: George B. Lemmer, Jr.
 Title: Vice-President

STATE OF Pennsylvania)
)
 COUNTY OF Philadelphia) ss

Before me, a Notary Public in and for the County and State aforesaid, appeared George B. Lemmer, Jr., to me personally known to be the signer of the foregoing instrument, and acknowledged execution of said instrument as a free and voluntary act for the uses and purposes therein expressed.

[Signature]
 Notary Public
 NOTARIAL SEAL
 CAROLL ONEAL, Notary Public
 City of Philadelphia, Philadelphia County
 My Commission Expires May 26, 1999

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SCHEDULE 1
TO THE SECURITY AGREEMENT

Leased Equipment (§4j)

- IBM Model 6408 Printer
- Mapics Software
- Various IBM Computer Equipment
- Savin 94000 Copier
- Five (5) Volvo Truck(s)/Tractor(s)
- Eleven (11) Volvo Truck(s)/Tractor(s)
- Telex 1174-10R Controller
- Marathon Compactor/Container
- Twenty (20) 44' Dorsey Flatbed Trailers
- Three (3) CRT's - Model 2192
- Twenty-three (23) Telex Terminals plus two (2) printers
- One (1) Grove Man Lift
- Telephone System
- Battery Stand
- AGFA Accuset Imagesetter
- Support computer for Accuset Imagesetter
- Three (3) Raymond Lift Trucks
- Canon Copier - Model NP 1020
- One (1) Yale Forklift - Model GLC120MF
- Four (4) Raymond Lift Trucks - Model EAS136-R4OTT
- Two (2) Hyster Lift Trucks - Model N45XMR
- Hyster Narrow Aisle Reach Truck
- Two (2) Hyster Order Pickers - Model R30ES
- Three (3) Yale Lift Trucks - Model GLPC50RF
- Two (2) Canon Copiers - Model NP6050
- Nine (9) Canon Copiers
- Xerox Copier - Model DC265
- Xerox Copier - Model 8830DDS
- Xerox Copier - Model 265
- Xerox Copier - Model 5828
- Xerox Copier - Model 5845
- Xerox Copier - Model 5343
- Siemens 9751 Model 30EX Phone System
- NEC Mark II Telephone System
- Xerox Copier - Model 8180
- 1988 Chevrolet Pickup Truck
- 1998 Pontiac Grand Prix (Vanderveen)
- 1998 Dodge Intrepid (Caplintt)
- 1998 Buick Century Custom (Drzeeicki)
- 1998 Plymouth Grand Voyager (Skrelunas)

- 1998 Pontiac Bonneville (Executive Auto)
- 1998 Dodge Intrepid (Klumb)
- 1998 Dodge Intrepid ES (Rutske)
- 1998 Dodge Intrepid (Moeller)
- 1999 Pontiac Grand Prix (Plebanski)
- 1997 Dodge Intrepid (Podgorink)
- 1997 Dodge Ram Pickup Truck (Company)
- 1997 Ford Crown Victoria (McKinney)
- 1997 Oldsmobile 88 (Barich)
- 1997 Ford Taurus (Sabula)
- 1997 Chrysler Concorde (Bonnar)
- 1997 Mercury Grand Marquis (Messinger)
- One (1) Prime Mover Forklift - Model 0E15C
- One (1) Hyster Forklift - Model S50XL
- One (1) Caterpillar Fork Lift Truck - Model No. DP30D
- One (1) Daewoo Forklift - Model No. D30
- One (1) Toyota Model 5FBCU25
- One (1) Toyota Model 52-6FGAU50
- Two (2) Toyota Model 6FDU35
- One (1) Toyota Lift Truck - Model 42-5FG25
- Two (2) Yale Forklifts - Model ERCO6OR
- One (1) OCE 2465 Copier
- One (1) Hyster Forklift - Model H155XL2
- One (1) Hyster Forklift - Model H70XL2
- General Batteries - Model 18-125-13
- Herther Chargers - Model TN 18-775
- Grove Scissor Lifts - Model SM2632

SCHEDULE 1
TO THE SECURITY AGREEMENT

Deposit Accounts (§4(k))

<u>Financial Institution</u>	<u>Account Name</u>	<u>Account No.</u>
Bank of America 231 S. LaSalle St. Chicago, IL 60697	Allied Products Corporation Receipts	86665-00150
Bank of America 231 S. LaSalle St. Chicago, IL 60697	Great Bend Manufacturing Receipts	LOCK BOX No. 7199
Bank of America 231 S. LaSalle St. Chicago, IL 60697	Corporate Office	LOCK BOX No. 91755
Bank of America 231 S. LaSalle St. Chicago, IL 60697	Bush Hog Receipts	LOCK BOX No. 96599
Bank of America 231 S. LaSalle St. Chicago, IL 60697	Verson Receipts	LOCK BOX No. 98135