

12/18/01

12-26-2001

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



101924947

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): Congress Financial Corporation (New England), as Agent for itself and Congress Financial Corporation (Canada)

- Individual(s) Association General Partnership Limited Partnership Corporation-State of Massachusetts Other

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other Release of Security Interest

Execution Date: October 18, 2001

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

Internal Address:

Street Address: 1599 Post Road East

City: Westport State: CT Zip: 06880

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State of Maine 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) 1,585,818

Additional number(s) attached Yes No

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

Name: Andrew R. Tarshis

Internal Address:

Street Address: 1599 Post Road East

City: Westport State: CT Zip: 06880

6. Total number of applications and registrations involved: 13

7. Total fee (37 CFR 3.41): \$ 340.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Andrew R. Tarshis Name of Person Signing

Andrew R. Tarshis Signature

12/17/01 Date

Total number of pages including cover sheet, attachments, and document: 11

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

12/26/2001 LMUELLER 00000006 1585818

01 FC:481 40.00 OP 02 FC:482 300.00 OP

TRADEMARK REEL: 002412 FRAME: 0494

Schedule A

Additional Registrations:

1,947,292

1,997,239

549,747

1,324,703

1,411,403

1,911,510

968,248

778,818

1,953,539

503,643

792,281

888,329

PARTIAL RELEASE AGREEMENT

October 18, 2001

CFH Acquisition Corp.
Hathaway Licensing Corp.
CF Hathaway Manufacturing, Inc.
CF Hathaway Sales Corp.
Hathaway Holdings Corp.
CF Hathaway and Company
Hathaway Canada Limited
One Canal Plaza
Portland, ME 04102

Gentlemen:

This letter agreement refers to the financing arrangements between Congress Financial Corporation (New England) ("Congress NE") and CFH Acquisition Corp., Hathaway Licensing Corp., CF Hathaway Manufacturing, Inc. and CF Hathaway Sales, Corp. ("Borrowers") as set forth in the Loan and Security Agreement, dated as of November 12, 1996 between Congress NE and Borrowers, as amended (together with all related agreements, certificates, instruments, and other documents, collectively, the "Congress NE Agreements") pursuant to which Congress NE has made loans and advances and provided other financial accommodations to Borrowers (the "Loans") which have been guaranteed by Hathaway Holdings, Corp. ("Holdings") and CF Hathaway and Company ("C.F. Hathaway" and with Holdings, the "Guarantors").

Concurrently herewith, the Guarantors and the Borrowers are entering into an Asset Purchase Agreement (the "Purchase Agreement") with Hathaway Acquisition Company, LLC ("Buyer") and utilizing a portion of the purchase price paid by Buyer to the Guarantors and Borrowers to repay all of the Loans and related indebtedness due to Congress NE. The asset sale to the Buyer will not be used to repay the loans and related indebtedness due Congress Financial Corporation (Canada) ("Congress Canada") from Hathaway Canada Limited ("Hathaway Canada") as set forth in the Loan Agreement dated as of November 12, 1996 between Congress Canada and Hathaway Canada, as amended (together with all related agreements, documents, and instruments, collectively, the "Congress Canada Agreements"), which Congress Canada Agreements will remain in full force and effect.

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the undersigned hereby agrees as follows:

1. Repayment. Borrowers shall pay or cause to be repaid to Congress NE, at

Borrowers' cost and expense, on the date hereof by federal funds wire transfer the amount of \$4,447,059.66 plus accrued interest for each day after (but not including) October 18, 2001 in the event the payment is not received by Congress NE by 12:00 p.m. New York City time on such date, sent to:

The Chase Manhattan Bank
4 New York Plaza
New York, NY
ABA No. 021 000 021

For credit to
Congress Financial Corporation (New England)
Account No. 323-047408
RE: Hathaway

2. Releases.

(a) (i) Subject to the terms and conditions contained herein, (x) the financing arrangements relating to the Loans as between Borrowers and Congress NE pursuant to the Congress NE Agreements are hereby terminated, canceled and of no further force and effect and Congress NE shall have no further obligation to make any Loans or any other obligations, duties or responsibilities in connection with the Congress NE Agreements and (y) with the exception of the mortgage lien and security interest granted by CFH Acquisition Corp. to Congress NE as agent for Congress Canada pursuant to the Mortgage and Security Agreement dated November 12, 1996 as amended, the Collateral Assignment of Leases and Rents dated November 12, 1996, as amended, the Environmental Compliance and Indemnification Agreement dated November 12, 1996, and UCC fixture financing statements relating to the real property and fixtures subject to the foregoing mortgage which shall remain in full force and effect to secure the Guarantee dated November 12, 1996 given by CFH Acquisition Corp. in favor of Congress Canada and the cash collateral pledged by Buyer to Congress NE as agent for Congress Canada pursuant to the Cash Collateral Agreement dated as of the date hereof, (each of the foregoing exceptions specified in this clause 2(a)(i)(y) being subject to Section 2(a)(ii) of this Agreement), all security interests and liens upon any and all properties and assets of Borrowers and Guarantors heretofore granted by Borrowers to Congress NE to secure the Loans made by Congress NE to the Borrowers pursuant to the Congress NE Agreements are hereby released, terminated, canceled and of no further force and effect. For the avoidance of doubt, Borrowers and Guarantors acknowledge and agree that, subject to Section 2(a)(ii) of this Agreement, the Congress Canada Agreements are not affected in any manner by the terms of this Agreement and the Congress Canada Agreements remain in full force and effect, subject to the notice of default dated July 24, 2001, notice of non-renewal dated July 11, 2001, and notice of extension dated October 16, 2001. Hathaway Canada, as borrower, Hathaway Holdings Corp, as guarantor and pledgor, and CFH Acquisition Corp., as guarantor, are unconditionally liable for the punctual and full payment of all Obligations (as defined in the Congress Canada Agreements) and have no defenses, counterclaims, or setoffs with respect to the full, complete and timely payment and performance of all such Obligations. Hathaway Canada and CFH Acquisition Corp. confirm and agree that,

subject to Section 2(a)(ii) of this Agreement, all security interests and liens securing such Obligations are valid, and enforceable first priority liens.

(ii) Notwithstanding the foregoing, or any provision to the contrary in this Agreement, Congress NE, for itself and as agent for Congress Canada, and Congress Canada hereby acknowledge, agree and confirm that all of the security interests and liens upon any and all of the Sellers' Assets (as such terms are defined in the Purchase Agreement), including, without limitation, any and all security interests and liens upon Hathaway Licensing Corp. and the shares of its capital stock, heretofore granted to Congress NE and/or Congress Canada pursuant to the Congress NE Agreements and/or the Congress Canada Agreements (and all of the agreements, duties, and other obligations of Hathaway Licensing Corp. under any of the Congress NE Agreements and/or Congress Canada Agreements) are hereby released, terminated, canceled and of no further force and effect.

(b) Each Borrower and Guarantor hereby releases, discharges and acquits Congress NE and Congress Canada, their respective officers, directors, agents and employees and its and their respective successors and assigns, from all obligations to Borrowers and Guarantors (and their respective successors and assigns) and from any and all claims, demands, debts, accounts, contracts, liabilities, actions and causes of actions, whether in law or in equity, that any Borrower or any Guarantor at any time had or has, or that its successors and assigns hereafter can or may have against Congress NE or Congress Canada, their respective officer, directors, agents or employees and its and their respective successors and assigns.

3. Indemnification for Returned Items and Related Expenses.

Borrowers and Guarantors agree to indemnify Congress NE from any and all loss, cost, damage or expense (including attorneys' legal fees and expenses) which Congress NE may suffer or incur at any time as a result of any non-payment, claim, refund or dishonor of any checks or other similar items which have been credited by Congress NE to the account of Borrowers with Congress NE, together with any expenses or other charges incident thereto and in addition, Borrowers and Guarantors agree to pay Congress NE upon demand all costs and expenses (including reasonable attorney's fees) incurred in connection with this letter agreement, and any instruments or documents contemplated hereunder. To secure this indemnity, Hathaway Holdings Corp. is pledging \$25,000 to Congress NE pursuant to a Cash Collateral Agreement dated as of the date hereof.

4. Rights in Instruments. Notwithstanding anything to the contrary contained herein, Congress NE reserves all of its rights in and to any checks or similar instruments for payment of money heretofore received by Congress NE in connection with its arrangements with Borrowers, and all of its rights to any monies due or to become due under said checks or similar instruments and/or all of its claims thereon; *provided, however*, Congress NE shall not be entitled to retain any such instruments that it receives with respect to the Congress NE Agreements on and after the date the conditions precedent set forth in Section 6 of this Agreement are satisfied and, in furtherance of the foregoing, (i) Congress NE shall terminate the lock box agreement maintained for the Borrowers pursuant to the Congress NE Agreements and (ii) the Borrowers shall cause all

such instruments received by the Borrower (or that are otherwise sent to the Borrowers' lock box account) to be promptly forwarded to the Buyer.

5. Reinstatement. Notwithstanding anything to the contrary contained herein, in the event any payment made to, or other amount or value received by, Congress NE from or for the account of Borrowers is avoided, rescinded, set aside or must otherwise be returned or repaid by Congress NE whether in any bankruptcy, reorganization, insolvency or similar proceeding involving any Borrower or any Guarantor or otherwise, the indebtedness intended to be repaid thereby shall be reinstated (without any further action by any party) and shall be enforceable against Borrowers and Guarantors. In such event, Borrowers and Guarantors shall be and remain liable to Congress NE for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Congress NE.

6. Conditions Precedent. The effectiveness of the releases contained in Section 2(a) above and any UCC termination statements or other release documents delivered in connection herewith is subject to and conditioned upon the receipt by Congress NE of (a) cash or other immediately available funds in the amounts set forth in Section 1 above, (b) a Cash Collateral Agreement in form and substance acceptable to Congress NE and Congress Canada duly executed by Hathaway Holdings Corp. and \$250,000 of cash collateral in immediately available funds, (c) an extension letter agreement between Congress Canada and Hathaway Canada, in form and substance satisfactory to Congress Canada, duly executed by Hathaway Canada and payment of an extension fee in the amount of Canadian \$15,000.00, (d) a Cash Collateral Agreement in form and substance acceptable to Congress NE and \$25,000 of cash collateral in immediately available funds, and (e) an original of this letter duly executed by the parties hereto. Upon reasonable request of Purchaser, Congress NE will confirm to Purchaser in writing whether the foregoing conditions have been satisfied.

7. Further Assurances. At the request of Borrowers or the Buyer, at Borrowers' expense, Congress NE and Congress Canada agree to execute and deliver additional termination statements and such other and further documents and instruments as may be reasonably requested in order to effect or evidence more fully the matters covered hereby. Borrowers acknowledge that concurrently herewith, Congress NE and Congress Canada are delivering to Borrowers UCC termination statements covering the financing statements previously filed by Congress NE and, to the extent necessary to reflect the releases contemplated under Section 2(a)(ii) of this Agreement, UCC termination statements covering and/or UCC amendments to the financing statements previously filed by Congress Canada against Borrowers.

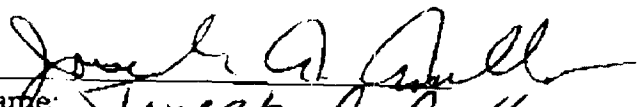
[Remainder of Page Intentionally Left Blank]

Signature Page to Partial Release Agreement

8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original hereof and submissible into evidence and all of which together shall be deemed to be a single instrument.

Very truly yours,

CONGRESS FINANCIAL CORPORATION
(NEW ENGLAND), as Agent for itself and
Congress Financial Corporation (Canada)

By: 
Name: Joseph A. Amello
Title: Vice President

CONGRESS FINANCIAL CORPORATION
(CANADA)

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

- CFH ACQUISITION CORP.
- HATHAWAY LICENSING CORP.
- CF HATHAWAY MANUFACTURING, INC.
- CF HATHAWAY SALES CORP.
- HATHAWAY HOLDINGS CORP.
- CF HATHAWAY AND COMPANY
- HATHAWAY CANADA LIMITED

By: _____
Name: _____
Title: _____

HATHAWAY ACQUISITION COMPANY, LLC

By: _____
Name: _____
Title: _____

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Congress Financial Corporation (Canada)

By: _____
Name: _____
Title: _____

CONGRESS FINANCIAL CORPORATION
(CANADA)

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

CFH ACQUISITION CORP.
HATHAWAY LICENSING CORP.
CF HATHAWAY MANUFACTURING, INC.
CF HATHAWAY SALES CORP.
HATHAWAY HOLDINGS CORP.
CF HATHAWAY AND COMPANY
HATHAWAY CANADA LIMITED

H. ROSENFELD
SENIOR VICE PRESIDENT
CONGRESS FINANCIAL

By: _____
Name: _____
Title: _____

HATHAWAY ACQUISITION COMPANY, LLC

By: _____
Name: _____
Title: _____

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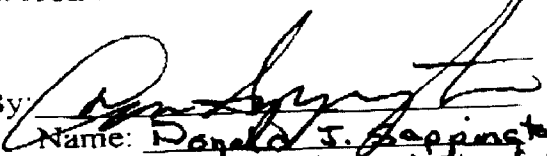
By: _____
Name: _____
Title: _____

CONGRESS FINANCIAL CORPORATION
(CANADA)

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

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HATHAWAY LICENSING CORP.
CF HATHAWAY MANUFACTURING, INC.
CF HATHAWAY SALES CORP.
HATHAWAY HOLDINGS CORP.
CF HATHAWAY AND COMPANY
~~HATHAWAY CANADA LIMITED~~

By: 
Name: Donald J. Gappington
Title: President and Chief Executive Officer

HATHAWAY ACQUISITION COMPANY, LLC

By: _____
Name: _____
Title: _____

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By: _____
Name: _____
Title: _____

CONGRESS FINANCIAL CORPORATION
(CANADA)

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

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- ~~CF HATHAWAY MANUFACTURING, INC.~~
- ~~CF HATHAWAY SALES CORP.~~
- ~~HATHAWAY HOLDINGS CORP.~~
- ~~CF HATHAWAY AND COMPANY~~
- HATHAWAY CANADA LIMITED

By: 
Name: D. J. KEEL
Title: President

HATHAWAY ACQUISITION COMPANY, LLC

By: _____
Name: _____
Title: _____

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By: _____
Name: _____
Title: _____

CONGRESS FINANCIAL CORPORATION
(CANADA)

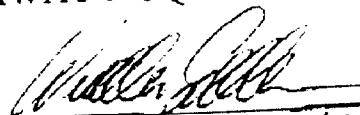
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CF HATHAWAY MANUFACTURING, INC.
CF HATHAWAY SALES CORP.
HATHAWAY HOLDINGS CORP.
CF HATHAWAY AND COMPANY
HATHAWAY CANADA LIMI

By: _____
Name: _____
Title: _____

HATHAWAY ACQUISITION COMPANY, LLC

By: 
Name: William Suedler
Title: manager