

**PATENT, TRADEMARK
AND COPYRIGHT SECURITY AGREEMENT**

THIS PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT (this "Agreement") is entered into as of this 31st day of October 2005, by and between **HUBBARDTON FORGE, LLC** (formerly known as Hubbardton Acquisition Company LLC), a Vermont limited liability company, with its principal place of business at 154 Route 30 South, P.O. Box 827, Castleton, Vermont 05735 (the "Borrower"), and **TD BANKNORTH, NATIONAL ASSOCIATION**, a national banking association having a place of business at 89 Merchants Row, Rutland, Vermont 05701 (the "Bank").

WHEREAS, Borrower and Bank are parties to a certain Loan Agreement, dated as of October 31, 2005 (as amended, restated, supplemented or extended from time to time, the "Loan Agreement"), and a Security Agreement, dated as of October 31, 2005, which together provide: (i) for Bank to extend certain loans to or for the account of the Borrower; and (ii) for the grant by the Borrower to Bank of a security interest in all of the Borrower's assets, including, without limitation, its patents, patent applications, trademarks, trademark applications, service marks, trade names, trade styles, copyrights, copyright applications, mask works, trade-secrets information and the goodwill associated with each of the foregoing, and other proprietary rights, together with all additions, accessions, accessories, amendments, attachments, modifications, substitutions, and replacements, proceeds and products of any of the foregoing; and

WHEREAS, the Bank is not willing to provide any credit or accommodations to the Borrower unless the obligations of the Borrower are secured by a pledge and perfected security interest in the Collateral (as defined below).

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Borrower and the Bank agree as follows:

1. Security Interest in Patents, Trademarks and Copyrights. To secure the complete and timely satisfaction of all of Borrower's "Obligations" (as that term is defined in the Loan Agreement) to the Bank, the Borrower hereby grants and conveys to Bank a security interest (having priority over all other security interests) with power of sale, to the extent permitted by law, in all of its now owned or existing, and hereafter acquired or arising:

- (a) patents and patent applications, including, without limitation, any invention and improvement to a patent or patent application, including without limitation those patents and patent applications listed in Schedule A (being sometimes referred to individually and/or collectively, the "Patents");
- (b) trademarks, registered trademarks and trademark applications, trade names, trade styles, service marks, registered service marks and service

mark applications including, without limitation, the registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule B and (i) all renewals thereof, (ii) all accounts receivable, income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past, present or future infringements and dilutions thereof, and (iii) the right to sue for past, present and future infringements and dilutions thereof, and (iv) all of the Borrower's rights corresponding thereto throughout the world (all of the foregoing registered trademarks, trademark applications, trade names, trade styles, registered service marks and service mark applications, together with the items described in clauses (i)-(iv) in this Section 1(b), being sometimes hereinafter individually and/or collectively referred to as the "Trademarks");

- (c) the goodwill of Borrower's business connected with and symbolized by the Trademarks; and
- (d) copyrights and copyright applications, including without limitation, those copyrights listed in Schedule C (being sometimes referred to individually and/or collectively as the "Copyrights");

together with all additions, accessions, accessories, amendments, attachments, modifications, substitutions, and replacements, proceeds and products of the foregoing (collectively, the "Collateral").

2. Recording of Patents and Trademarks. Borrower represents and warrants that (1) the patents and patent applications listed in Schedule A and (2) the trademark and trademark applications described in Schedule B, have each been duly recorded in the U.S. Patent and Trademark Office (the "PTO"); and that no other patents, patent applications, trademarks or trademark applications have been filed or recorded with the PTO in which the Borrower has an interest.

3. Recording of Copyrights. Borrower represents and warrants that the copyright and copyright applications described in Schedule C have been duly recorded in the U.S. Copyright Office, and that no other copyright or copyright applications have been recorded in the U.S. Copyright Office in which the Borrower has an interest.

4. Restrictions on Future Agreements. Borrower will not, without Bank's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Borrower further agrees that it will not take any action, and will use reasonable efforts not to permit any action to be taken by others subject to its control, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Bank under this Agreement or the rights associated with

the Patents, Trademarks and/or Copyrights that are necessary or desirable in the operation of Borrower's business.

5. New Patents, Trademarks and Copyrights. Borrower represents and warrants that the Patents, Trademarks, and Copyrights listed on Schedules A, B and C include all of the patents, patent applications, trademark registrations, trademark applications, service marks registrations, service mark applications, registered copyrights and copyright applications, now owned or held by Borrower. If, prior to the termination of this Agreement, Borrower shall (i) create or obtain rights to any new patents, trademarks, trademark registrations, trademark applications, trade names, trade styles, service marks, service marks registrations or service mark applications, or (ii) become entitled to the benefit of any patent, trademark, trademark registration, trademark application, trade name, trade style, service mark, service mark registration or service mark application, the provisions of this Agreement shall automatically apply thereto and Borrower shall give Bank prompt written notice thereof. Borrower hereby authorizes Bank to modify this Agreement by (a) amending Schedules A, B, and/or C, as the case may be, to include any future patents, trademark registrations, trademark applications, service mark registrations, service mark applications, registered copyrights and copyright applications that are Patents, Trademarks or Copyrights under Section 1 above or under this Section 5 (whether or not any such notice from Borrower has been sent or received), and (b) filing, in addition to and not in substitution for this Agreement, a supplement or addendum to this Agreement containing on Schedule B therein, as the case may be, such registered trademarks, trademark applications, service marks, registered service marks and service mark applications which are Trademarks under Section 1 above or this Section 5 and to take any action Bank otherwise deems appropriate to perfect or maintain the rights and interest of Bank under this Agreement with respect to such Patents, Trademarks and Copyrights.

6. Royalties. The Borrower hereby agrees that following the occurrence and continuation of an Event of Default, the use by Bank of the Patents, Trademarks and Copyrights as authorized hereunder shall be co-extensive with Borrower's rights with respect thereto and without any liability for royalties or other related charges from the Bank to the Borrower or any other person.

7. Nature and Continuation of Security Interest; Notice to Third Parties. This Security Agreement has the effect of giving third parties notice of the Bank's Security Interest in Borrower's Patents, Trademarks and Copyrights. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Patents, Trademarks and Copyrights and shall remain in full force and effect until the Obligations have been paid in full (other than contingent indemnity obligations) and the termination of the Bank's obligation to extend credit pursuant to the Loan Agreement.

8. Right to Inspect; Assignments and Security Interests. Subject to the limitations on such inspections and examinations as set forth in the Loan Agreement, the Bank shall have the right, at any reasonable time upon reasonable prior written request and from time to time, to inspect Borrower's premises and to examine Borrower's books, records and operations relating to the Patents, Trademarks and Copyrights, including, without limitation, Borrower's quality control processes; provided, that in conducting such inspections and examinations, Bank shall

use reasonable efforts not to disturb unnecessarily the conduct of Borrower's ordinary business operations. After the occurrence and during the continuance of an Event of Default (as defined in the Loan Agreement), Borrower agrees that Bank or a conservator appointed by Bank shall have the right to take any action to renew or to apply for registration of any Trademarks as Bank or said conservator, each in its sole judgment, may deem necessary or desirable in connection with the enforcement of Bank's rights hereunder. Borrower agrees (i) except in accordance with Borrower's reasonable business judgment, not to sell or assign its respective interests in the Patents, Trademarks and/or Copyrights without the prior written consent of Bank and (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof.

9. Duties of Borrower. Borrower shall have the duty, to the extent necessary or desirable in the normal conduct of Borrower's business as determined at the Borrower's reasonable discretion, to (i) prosecute diligently any patent application or trademark application or service mark application that is part of the Patents or Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, and (ii) preserve and maintain all of Borrower's rights in the patents, patent applications, trademark applications, service mark applications and trademark and service mark registrations that are part of the Patents and Trademarks. Any expenses incurred in connection with the foregoing shall be borne by Borrower. Borrower shall not, without thirty (30) days prior written notice to Bank, abandon any trademark or service mark that is the subject of a registered trademark, service mark or application therefor. Bank shall not have any duty with respect to the Patents, Trademarks and/or Copyrights. Without limiting the generality of the foregoing, Bank shall not be under any obligation to take any steps necessary to preserve rights in the Patents, Trademarks and/or Copyrights against any other parties, but may do so at its option during the continuance of an Event of Default, and all reasonable expenses incurred in connection therewith shall be for the sole account of Borrower and added to the Obligations and liabilities secured hereby and by the other Loan Documents.

10. Bank's Right to Sue. Upon the occurrence and during the continuance of any Event of Default, the Bank shall have the right to exercise all rights and remedies available at law or in equity. From and after the occurrence and during the continuance of an Event of Default, Bank shall have the right, but shall not be obligated, to bring suit or take any other action to enforce the Patents, Trademarks and Copyrights and, if Bank shall commence any such suit or take any such action, Borrower shall, at the request of Bank, do any and all reasonable lawful acts and execute any and all proper documents reasonably required by Bank in aid of such enforcement. Borrower shall, upon demand, promptly reimburse and indemnify Bank for all reasonable out-of-pocket costs and expenses incurred by Bank in the exercise of its rights under this Section 10 (including, without limitation, all attorneys' fees). If, for any reason whatsoever, Bank is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby.

11. Waivers. The Borrower waives, to the extent permitted by applicable law, presentment, demand, notice, protest, notice of acceptance of this Agreement, notice of any loans made, credit or other extensions granted, collateral received or delivered or any other action taken in reliance hereon and all other demands and notices of any description, except for such

demands and notices as are expressly required to be provided to the Borrower under this Agreement or any other document evidencing the Obligations or the liabilities under the Loan Documents. With respect to both the Obligations and the Collateral, the Borrower assents to any extension or postponement of the time of payment or any other forgiveness or indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromise or adjustment of any thereof, all in such manner and at such time or times as the Bank may deem advisable. The Bank may exercise its rights with respect to the Collateral without resorting, or regard, to other collateral or sources of reimbursement for Obligations. The Bank shall not be deemed to have waived any of its rights with respect to the Obligations or the Collateral unless such waiver is in writing and signed by the Bank. No delay or omission on the part of the Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not bar or waive the exercise of any right on any future occasion. All rights and remedies of the Bank in the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, are cumulative and not exclusive of any remedies provided by law or any other agreement, and may be exercised separately or concurrently.

12. Successors and Assigns. This Agreement shall be binding upon the Borrower, its respective successors and permitted assigns, and shall inure to the benefit of and be enforceable by the Bank and its successors and assigns.

13. General. This Agreement may not be amended or modified except by a writing signed by the Borrower and the Bank, nor may the Borrower assign any of its rights hereunder. This Agreement and the terms, covenants and conditions hereof shall be construed in accordance with, and governed by, the laws of the State of Vermont (without giving effect to any conflicts of law provisions contained therein). In the event that any Collateral stands in the name of the Borrower and another or others jointly, as between the Bank and the Borrower, the Bank may deal with the same for all purposes as if it belonged to or stood in the name of the Borrower alone. Capitalized terms used herein and not otherwise defined have the respective meanings given in the Loan Agreement.

14. WAIVER OF JURY TRIAL; VENUE.

THE BORROWER HEREBY WAIVES TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH OR, ARISING OUT OF: (A) THIS AGREEMENT OR ANY OTHER INSTRUMENT OR DOCUMENT DELIVERED IN CONNECTION HERewith; OR (B) THE VALIDITY, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

THE BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THE OBLIGATIONS ARISING OUT OF OR IN ANY MANNER RELATING TO THIS AGREEMENT OR ANY TRANSACTION RELATING TO ANY LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF VERMONT OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURT AND TO SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE

UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN THE LOAN AGREEMENT. THE BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT WAS BROUGHT IN AN INCONVENIENT COURT. THE BORROWER SHALL NOT BE ENTITLED IN ANY SUCH ACTION OR PROCEEDING TO ASSERT ANY DEFENSE GIVEN OR ALLOWED UNDER THE LAWS OF ANY STATE OTHER THAN THE STATE OF VERMONT UNLESS SUCH DEFENSE IS ALSO GIVEN OR ALLOWED BY THE LAWS OF THE STATE OF VERMONT. NOTHING IN THIS SECTION SHALL AFFECT OR IMPAIR IN ANY MANNER OR TO ANY EXTENT THE RIGHT OF THE BANK TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE BORROWER IN ANY JURISDICTION IN WHICH ANY COLLATERAL IS LOCATED, THE BORROWER CONDUCTS ACTIVITIES OR WHERE LEGAL PROCEEDINGS MAY BE NECESSARY IN ORDER TO COLLECT OR ENFORCE THE OBLIGATIONS OR TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW.

[Signature Page Follows]

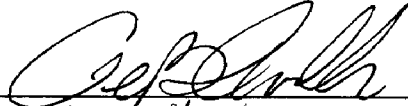
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

BORROWER:

IN THE PRESENCE OF:

HUBBARDTON FORGE, LLC

Lincoln R. Dem
Witness

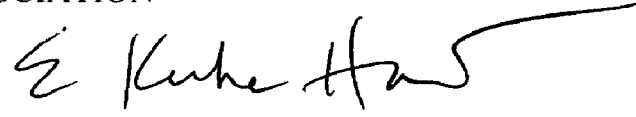
By:  president.
Name: George Chandler
Title: President

BANK:

IN THE PRESENCE OF:

TD BANKNORTH, NATIONAL ASSOCIATION

Lincoln R. Dem
Witness

By: 
Name: E. Kirke Hart
Title: S.V.P.

ACKNOWLEDGMENT

STATE OF VERMONT
Rutland COUNTY

In Castleton on this 28 day of October, 2005, personally appeared George Charlier, a duly authorized agent of Hubbardton Forge, LLC, signer of the foregoing instrument, and acknowledged the same to be his/her free act and deed and the free act and deed of Hubbardton Forge, LLC.

Before me,

Amour R Doss

Notary Public

My Commission Expires: 2-10-07

ACKNOWLEDGMENT

STATE OF VERMONT
Rutland COUNTY

In Castleton on this 28 day of October, 2005, personally appeared E. Kirke Hart, a duly authorized agent of TD Banknorth, National Association, signer of the foregoing instrument, and acknowledged the same to be his/her free act and deed and the free act and deed of TD Banknorth, National Association.

Before me,

Amour R Doss

Notary Public

My Commission Expires: 2-10-07

**Schedule A
Patents and Patent Applications**

Item #	Description/Title	Application #	US Patent #	Type of Patent	Status
133149	Hanging Lamp Support	29/177,436	D 483,518 S	Design	Approved
138552	Ondrion Pendant and Hanging Fixtures	29/192,178	D 494,303	Design	Approved
213151L&R	Wall Sconce Support	29/177,419	D 483,907 S	Design	Approved
232650	Primitive Floor	29/186,719	D 495,820	Design	Pending
272650	Primitive Table	29/186,718	D501,575 S	Design	Approved
273151	Table Lamp Support	29/177,437	D 484,271 S	Design	Approved
273151	Notched Bar	29/177,424	D 483,906 S	Design	Approved
	Primitive Decorative Plate	12/186,720	D 503,492 S	Design	Approved
272650	Plate				
232665	Stasis floor lamp			Design	Pending
272665	Stasis floor lamp			Design	Pending
273150	Notched Bar	29/177,424	D 483906 S	Design	Approved

Schedule B
Trademarks and Trademark Applications

U.S. TRADEMARK APPLICATIONS AND REGISTRATIONS

Mark	Country	Registration Number/ Serial or File Number	Date of Registration	Status
HUBBARDTON FORGE	US	2,315,499	[2/14/00]	Approved
DESIGN OF TONGS	US	78/448246		Pending
HUBBARDTON FORGE and Design	US	78/483030		Pending
HUBBARDTON FORGE and Design	PRC	T04BJ4334:11A1		Pending
HUBBARDTON FORGE and Design	PRC	T04BJ4334:11A1		Pending

**Schedule C
Copyrights and Copyright Applications**

Item Number	Date Introduced	Description	Jurisdiction
10-3050	2002	Five Arm Leaf	USA
12-6706	2005	Twining Leaf with Vine Flush Mount Light Fixture	USA
12-6709	2005	Sweeping Leaf with Vine Flush Mount Light Fixture	USA
12-6756	2005	Acham Short Hanging Bead Vase Sculpture	USA
13-3612	2000	Vine Pendant	USA
13-9501	2005	Hanging Vine with Leaves, Trellis Sculpture	USA
18-266-32	2002	Trumpet Leaf Pendant	USA
20-5105L	2002	Wendy Knot	USA
20-5201-L	2002	Wendy Knot Left	USA
20-5201-R	2002	Wendy Knot Right	USA
20-5202	2002	Two Light Wendy Knot	USA
20-5203	2002	Three Light Wendy Knot	USA
20-5752-L	1999	Hampton Reeds Left	USA
20-5762	2001	Byron's Leaves	USA
20-5772-L	1999	Hannah's Leaves Left	USA
20-7370	2005	Oval Impressions Suspended Glass Sculpture	USA
20-7380	2005	Oval Ondrian Nested Glass Sculpture	USA
20-7841	2005	Impressions -- Glass and Fullered Steele Sculpture (pending)	USA
20-7843	2005	Impressions -- Triple Glass and Fullered Steele Sculpture	USA

21-7501	2005	Talus Moonscaped Sculpture - - Study in Linen and Steele	USA
21-7506	2005	Talus Double Moonscaped Sculpture -- Study in Linen and Steele	USA
21-7511	2005	Talus Triple Moonscaped Sculpture -- Study in Linen and Steele	USA
23-2670	2004	Fullered tight curve	USA
24-6711	1999	Double Stem Floor Lamp	USA
24-6731	2000	Scroll and Leaf Floor Lamp	USA
24-6761	1999	Leaf Vase Floor Lamp	USA
24-6762	2000	Leaf Vase Torchiere	USA
26-6711	1998	Double Stem Table Lamp	USA
26-6731	2000	Scroll and Leaf Table Lamp	USA
26-6760	2003	Forged Leaves and Vase on Round Base Table Lamp	USA
26-6761	2001	Leaf Vase Buffet	USA
26-8551	2002	Ondrian Table Lamp	USA
26-9471	2002	Pierced Arc Table Lamp	USA
27-2670	2004	Fullered tight curve	USA
27-2675	2004	Fullered Impressions Directly Opposed	USA
27-2678	2004	Fullered Impressions Opposed/Offset	USA