



**PATENT AND TRADEMARK  
SECURITY AGREEMENT**

This Patent and Trademark Security Agreement (the "Security Agreement") is entered into on June 3, 2011 by and between **TD Bank, N.A.**, a national banking association with a mailing address of One Portland Square, P.O. Box 9540, Portland, ME 04112-9540 (the "Bank") and **Hussey Seating Company**, a Maine corporation with a place of business at 38 Dyer Street Extension, North Berwick, Maine, 03906 (the "Grantor").

RECITALS

1. The Bank and the Grantor have entered into a Master Loan Agreement and Grantor has executed and delivered to the Bank promissory notes and other loan documents as required and anticipated by the Master Loan Agreement (together the "Loan Documents") in connection with the Grantor's purchase of substantially all of assets of Clarin Learning Systems, LLC and Greenwich Industries L.P. (the "Sellers") and Grantor's related need for revolving and term loan credit facilities.

2. In connection with the financing provided by the Bank, Grantor has agreed to grant the Bank a security interest in all of its business assets, including all Patents, Trademarks, and License Agreements (as defined herein) to secure Grantor's obligations to the Bank whether now existing or hereafter arising.

3. Grantor represents that it now possesses the sole and complete ownership rights to the Patents, Trademarks, and License Agreements referenced above described in this Security Agreement (except as noted in Exhibit 1) and that it has not granted a security interest or otherwise pledged, mortgaged, transferred, assigned or licensed any part of its rights in said business assets to any party other than the Bank.

NOW THEREFORE, in consideration of the covenants and assurances set forth in this Security Agreement and the aforementioned Loan Documents and for other good and valuable consideration, receipt of which is hereby acknowledged, the Bank and the Grantor agree as follows:

**Section 1.01. Grant of Security Interest.** In order to secure the complete and timely satisfaction of all of the duties and obligations owing from the Grantor to the Bank, whether now existing or hereafter arising, including as set forth in the Loan Documents, the Grantor hereby pledges, mortgages and grants a first-priority security interest to the Bank in and to the following:

(1) All patents, patent applications and patentable inventions of the Grantor, including but not limited to, those set forth in Exhibit 1, and (a) the inventions and improvements described and claimed therein; (b) any continuation, division, renewal, extension, substitute or reissue thereof or any legal equivalent in a foreign country for the full term or terms for which the same may be

granted; (c) all rights to income, royalties, profits, awards, damages or other rights relating to said patents, applications or inventions including the right to sue for past, present or future infringement, and (d) any other rights and benefits relating to said patents, applications, or inventions ("Patents").

(2) All trademarks, trademark registrations and trademark applications and the goodwill underlying or associated with those trademarks of the Grantor, including but not limited to those set forth in Exhibit 2 and (a) all rights that Grantor has in any similar trademarks, trademark registrations and trademark applications or amendments, modifications and renewals thereof and the goodwill represented by those trademarks, trademark registrations and trademark applications thereon and any legal equivalent in a foreign country for the full term or terms for which the same may be granted; (b) all rights to income, royalties, profits, damages, or other rights relating to said trademarks, trademark registrations and trademark applications including the right to sue for past, present or future infringement; and (c) any other rights and benefits relating to said trademarks including any rights as a licensor or licensee of said trademarks, trademark registrations and trademark applications ("Trademarks").

(3) All rights that the Grantor has in certain license, assignment and intellectual property transfer agreements, including, but not limited to the agreements set forth on Exhibit 3 and (a) any trademarks, including the goodwill associated therewith, inventions and improvements described and claimed therein; (b) any continuation, division, renewal, extension, substitute or reissue thereof or any legal equivalent in a foreign country for the full term or terms for which the same may be granted; (c) all rights to income, royalties, profits, awards, damages or other rights relating to said agreements, applications or inventions including the right to sue for past, present or future infringement, and (d) any other rights and benefits relating to said patents, trademarks, applications, or inventions (the "License Agreements").

**Section 2.01. No Liens, etc.** The Grantor agrees that it will not, without the prior written consent of the Bank, assign or transfer, pledge, mortgage, license or allow a security interest or lien to be taken by anyone other than the Bank in said Patents, Trademarks or License Agreements or take any other acts which are contrary to or inconsistent with the rights granted to the Bank in this Security Agreement and will not cease the use of any Trademark or take any action or fail to take any action which will result in the cancellation or expiration of any of the Patents or Trademark registrations covered by the Security Agreement without the prior written agreement of the Bank.

**Section 3.01. Grantor's Obligation to Maintain and enforce Rights.** The Grantor further agrees that it has the obligation, at its own cost, unless otherwise consented to in writing by the Bank:

(1) To take all actions necessary to properly maintain and renew all Patents and registrations for Trademarks which are or may become subject to this Security Agreement for the full term or terms allowed by law including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of documents or declarations necessary to maintain and renew said Patents or registrations for Trademarks (including the filing of a declaration

of incontestability under §15 of the of the United States Trademark Act where possible) which may be necessary or appropriate under applicable law.

(2) To file new applications to register and protect under applicable law all patentable inventions or Trademarks (to the extent, at the Grantor's sole discretion, any such invention or Trademark is deemed to have sufficient economic value to merit such registration or protection) acquired by the Grantor but for which applications have not previously been filed or take all other actions necessary to cause Patents and registrations for Trademarks to be issued as a result of said applications.

(3) To protect such Patents and Trademarks from infringement, unfair competition or dilution or damage by reasonable actions such as the commencement of legal action to prevent and recover damages for said infringement and to defend such Patents and Trademarks from claims of infringement, unfair competition or damage including the defense of any legal actions making such claims.

**Section 4.01. Reporting Requirements.** The Grantor agrees to provide written annual reports to the Bank informing it of: (a) the status of all Patents, Trademarks and License Agreements subject to this Security Agreement including any new patents, patent applications, trademarks registrations, trademark applications or related licenses; and (b) any actions taken by the Grantor pursuant to section 3.01 of this Security Agreement.

**Section 5.01. After-Acquired Property** If the Grantor shall obtain rights to or become entitled to the benefit of any new patents, patent applications, patentable inventions, trademarks, registered trademarks, trademark applications or licenses before its obligations to the Bank as set forth in this Security Agreement have been satisfied in full, the provisions of this Security Agreement shall automatically apply thereto and the Grantor hereby authorizes the Bank to modify or update this Security Agreement accordingly and to file any document with the U.S. Patent and Trademark Office and with any other Local, State or Federal registry to secure or perfect the Bank's rights hereunder, including, but not limited to, a copy of this Security Agreement, UCC financing statements or any other document or electronic filing whatsoever.

**Section 6.01. Events of Default.** The failure by the Grantor to perform any of the terms or conditions of this Security Agreement or any of the terms and conditions of the Loan Documents shall constitute a material default. Upon the occurrence of such a default and upon the receipt by the Grantor of appropriate written notice from the Bank, the Grantor hereby authorizes and grants a power of attorney to the Bank to take any action as may be deemed to be necessary with respect to said Patents and Trademarks including but not limited to the assignment of all said Patents, Trademarks and License Agreements from the Grantor to the Bank. This right may be exercised in addition to any other rights and remedies which may be available under applicable law.

**Section 6.02 Cure of License Agreement Default.** In the event that the Grantor defaults, threatens to default or if the Bank reasonably deems itself insecure regarding the Grantor's ability to

perform pursuant to the License Agreements, the Bank may take all steps necessary to preserve its rights under the License Agreements, including payment of past due amounts and performance of required actions under said License Agreements. The Bank may add the costs of any measure reasonably necessary to maintain the License Agreements to the principal amount of the Grantors obligations under the Loan Documents , including the Bank's reasonable attorney's fees.

**Section 7.01. Interpretation.** This Security Agreement is subject to the terms and conditions of the Loan Documents . Where any term in this Security Agreement may be inconsistent with any term in the Loan Documents , the terms of the Loan Documents shall control.

**Section 8.01. No Waiver.** The failure by the Bank to exercise any right under this Security Agreement shall not operate as a waiver thereof and shall not bar the Bank from continuing to exercise said rights in the future.

**Section 9.01. Governing Law.** The Security Agreement is to be governed by the law of the State of Maine except to the extent federal law conclusively controls and is binding on the parties and their successors and assigns. The Grantor may not assign nor transfer any part of its obligations under this Security Agreement either expressly or by operation of law without the written consent of the Bank.

**Section 10.01. Severability.** The terms of this Security Agreement are severable. If any term shall be found to be invalid or unenforceable, it shall not affect the validity of the remaining terms.

**Section 11.01. Further Actions.** The Grantor agrees to execute any other documents and take any further action upon the request of the Bank as may be deemed necessary to effectuate the terms of this Security Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement as of the 3rd day of June, 2011.

Samuel C. Strey  
Witness

Hussey Seating Company

By: Gary Merrill  
Gary Merrill  
Title: Its Treasurer and Chief Financial Officer

Samuel C. Strey  
Witness

TD Bank, N.A.

By: Laura C. Foye  
Laura C. Foye  
Its Senior Vice President

State of Maine  
Cumberland, ss.

June 3, 2011

On the 3rd day of June, 2011, before me appeared Gary Merrill, Chief Financial Officer of Hussey Seating Company, who acknowledged that he signed this document as his free act and deed and the free act and deed of Hussey Seating Company and that he had authority to do so.

Michael J. Paive  
Notary Public / Attorney-at-Law

Typed or Printed Name: Michael J. Paive  
Atty at law

My Commission Expires: 2/11

EXHIBIT 1

PATENTS AND PATENT APPLICATIONS

PATENTS

<u>Patent No.</u>	<u>Brief Description</u>	<u>Date Issued</u>
D513,897 S	Chair	1/31/2006
D483,194 S	Seating Unit	12/9/2003
D482,884 S	Seating Unit	12/2/2003
6,539,672 B1	Telescopic Seating System Tier Catch and Method	4/1/2003
5,288,128	Reclining Theater Seating	2/22/1994
5,277,001	Multiple Configuration Grandstand Seating System	1/11/1994
7,108,330	Portable Chair	9/19/2006
D514,850	Chair seat	2/14/2006
D492,147	Chair back	6/29/2004
D492,146	Chair seat	6/29/2004
D441,461*	Portable seating bleacher	5/1/2001
D432,669*	Seating housing	10/24/2000
6,070,347	Frame mountable identifying device	6/6/2000
5,586,806	Underseat article holder apparatus	12/24/1996

PATENT APPLICATIONS

<u>Serial No.</u>	<u>Brief Description</u>	<u>Date of Application</u>
Application No. 60/904,097	Telescopic Seating Assembly and Self-Storing Handrail Therefor	Pending provisional patent application filed 2/28/2007

\* According to the U.S. Patent & Trademark Office's assignment database, only two of the three inventors for Patent Nos. D441,461 & D432,669 have assigned their rights in those patents to Greenwich Industries, L.P., which has in turn assigned its rights to the Grantor. Therefore, Grantor may not acquire sole and complete ownership rights to these two patents. ,

EXHIBIT 2

**TRADEMARKS, TRADEMARK REGISTRATIONS, AND  
TRADEMARK APPLICATIONS AND ASSOCIATED  
GOODWILL**

<b>Trademark</b>	<b>Serial No.</b>
BOXX SEATS	73329232
CLARIN	72276103
QUATTRO	78132074
MAXAM	76426019
PERMA-PLANK	74152071
PERMA-CAP	74151757

**COMMON LAW MARKS**

HUSSEY  
HUSSEYSEATING<sup>1</sup>  
HUSSEY SEATING COMPANY  
HUSSEY ADVANTAGE  
HUSSEY SINCE 1835  
LEGEND  
MEDALLION  
PUT THE POWER OF THE FACTORY TO WORK FOR YOU  
POW-R-TRAC  
POW-R-TRAC I  
POW-R-TRAC II  
POW-R-TRAC III  
POW-R-TRAC IV  
POSI-LOCK  
FLEX-ROW  
SIGNATURE LOGO  
COURTSIDE  
CONCERTINA  
MAXAM  
MAXAM PLUS  
MAXAM+

<sup>1</sup> In usage, this is sometimes two words (HusseySeating) and sometimes a single word (Husseyseating).



M+  
PERFORMANCE BY DESIGN  
QUICK-LINK  
SPORTS-LINK  
YOUR PARTNER FOR SEATING SOLUTIONS  
DIFFERENT.BY.DESIGN.

EXHIBIT 3

**LICENSE, ASSIGNMENT AND TRANSFER OF INTELLECTUAL PROPERTY  
AGREEMENTS**