

02-24-1999

OMB No. 0651-0011 (exp. 4/94)



100970534

To the Honorable Commissioner of Patents and Trademarks: Please

of the foregoing.

1. Name of conveying party(ies): **1999 FEB 22 AM 8:57**

Wadena State Bank

**OPR/FINANCE**

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

3. Nature of conveyance: **2-22-99**

☐ Assignment

☐ Merger

☒ Security Agreement

☐ Change of Name

☐ Other

Execution Date: May 15, 1998

2. Name and address of receiving party(ies)

Name: U.S. Bank National Association

Internal Address: Attn: Craig T. Hansen

Street Address: 601 Second Avenue South

City: Minneapolis State: MN ZIP: 55402-4302

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

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: \_\_\_\_\_

A. Patent Application No.(s)

B. Patent No.(s)

4,371,142; 4,456,301; 4,503,780; 4,592,126; 4,786,106;  
4,905,612; 5,286,046; and 5,634,688

Additional numbers attached? ☐ Yes ☒ No

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

Name: David E. Bruhn

Internal Address: Dorsey & Whitney LLP

Street Address: 220 South Sixth Street

City: Minneapolis State: MN ZIP: 55402

6. Total Number of applications and patents involved: \_\_\_\_\_

8

7. Total fee (37 CFR 3.41). . . . . \$ 320.00

☒ Enclosed

☐ Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

**320E**

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.

David E. Bruhn

Name of person Signing

*David E. Bruhn*

Signature

Reg. No. 36,762

2-16-'99

Date

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

9

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

PATENT  
REEL: 9773 FRAME: 0050

02/23/1999 JSHABAZZ 00000114 4371142

01 FEB 1999 320.00 OP

# ASSIGNMENT OF COLLATERAL ASSIGNMENT OF PATENTS

FOR VALUE RECEIVED, Wadena State Bank ("Assignor"), does hereby absolutely and irrevocably assign, transfer and set over to U.S. Bank National Association ("Assignee"), all of Assignor's right, title and interest in and to that certain Collateral Assignment of Patents dated as of January 27, 1997 from Homecrest Industries Incorporated (the "Company") to the Assignor and recorded with the United States Patent and Trademark Office on September 3, 1997 at Reel 8677, Frame 380 (the "Assigned Document") and all rights and interests arising thereunder. A true and accurate copy of the Assigned Document is attached hereto and incorporated herein by reference.

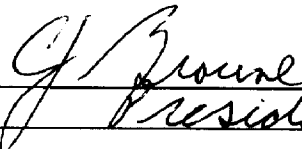
The Assignor represents and warrants that it is the legal and beneficial owner of the Assigned Document. Except as set forth in the immediately preceding sentence, this Assignment is without any representation, warranty or recourse of any kind or nature whatsoever regarding the Assigned Document.

The Assignor hereby agrees to execute and deliver, without additional consideration, all such further instruments, assignments and documents of transfer as may be requested by Assignee to better protect the negotiation, assignment and transfer of the Assigned Document to Assignee hereunder.

WHEREFORE, Assignor has assigned the Assigned Document as of this May 15, 1998.

ASSIGNOR:

WADENA STATE BANK

By   
Its President

## COLLATERAL ASSIGNMENT OF PATENTS

This Collateral Assignment of Patents (the "Assignment"), dated as of January 27, 1997, is made and given by Homecrest Industries Incorporated, a corporation organized and existing under the laws of the State of Delaware, having a place of business at 600 S.E. Fifth Street, Wadena, Minnesota 56482 (the "Assignor") to Wadena State Bank, a Minnesota banking corporation, having a place of business at 43 304 S.E. First Street, Wadena, Minnesota 56482 (the "Assignee").

### RECITALS

A. The Assignor and the Assignee have entered into a Credit Agreement dated as of October 18, 1994, as amended by First Amendment dated as of March 18, 1996 and by Second Amendment to Credit Agreement dated as of January 27, 1997 (as the same may hereafter be amended, restated, or otherwise modified from time to time, the "Credit Agreement"). All terms capitalized and used herein without being defined shall have the meaning given them in the Credit Agreement.

B. The Assignor has pledged and granted to the Assignee a security interest in the property described in the Security Agreement of even date herewith (as the same may hereafter be amended, restated, or otherwise modified from time to time, the "Security Agreement"), which property includes general intangibles, including, without limitation, applications for patents, applications for trademarks, trademarks, trade names, copyrights, patents, inventions and trade secrets.

C. The Assignor owns the patents set forth in Exhibit A attached hereto, and the patents so listed are registered or application has been made for such registration as noted in Exhibit A in the United States Patent and Trademark Office.

D. In order to induce the Assignee to enter into the Credit Agreement and to accept the Assignor's promissory note of even date, in the principal amount of \$17,000,000 (as the same may hereafter be amended, restated, or otherwise modified from time to time, the "Note"), and in order to secure the payment and performance of (i) all liabilities and obligations of the Assignor to Assignee arising under the Credit Agreement, whether now existing or hereafter arising; (ii) all liabilities and obligations of the Assignor to the Assignee under the Security Agreement, whether now existing or hereafter at any time arising; (iii) all liabilities and obligations of the Assignor to the Assignee arising under or evidenced by the Note, whether now existing or hereafter arising (the items described in clauses (i) through (iii) above are collectively referred to herein as the "Liabilities"), the Assignor is willing to enter into this Assignment.

NOW, THEREFORE, in consideration of the premises and to induce the Assignee to enter into the Credit Agreement and accept the Note, the parties hereto agree as follows:

1. The Assignor does hereby assign all of its right, title and interest in and to all of the present United States patents and the applications therefor owned by the Assignor together with inventions disclosed therein (the "Patents"), including but not limited to those set forth on Exhibit A, and including, without limitation, all proceeds thereof together with the right to recover for past, present and future infringements, all rights corresponding thereto throughout the world and all renewals and extensions thereof, said Patents to be held and enjoyed by the Assignee, for its own use and behalf, and for its legal representatives, successors and assigns, as fully and entirely as the same would have been held by the Assignor had this Assignment not been made. The foregoing assignment shall be effective only upon the occurrence of an Event of Default under the Credit Agreement and upon written notice by the Assignee to the Assignor of the acceptance by the Assignee of this Assignment, which written notice shall constitute conclusive proof of the matters set forth therein; unless and until the occurrence of such an Event of Default, such assignment shall have no effect.

2. The Assignor hereby covenants and warrants that:

(a) the Patents listed on Exhibit A are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) each of the Patents listed on Exhibit A is valid and enforceable;

(c) no claim has been made to the Assignor or, to the knowledge of the Assignor, to any other person, that any of the Patents or use of the inventions described therein does or may violate the rights of any third person and no claim has been made by the Assignor that any other person is infringing upon the rights of the Assignor under the Patents;

(d) the Assignor has the unqualified right to enter into this Assignment and perform its terms;

(e) the Assignor will be, until the Liabilities shall have been satisfied in full and the Security Agreement shall have been terminated, in substantial compliance with statutory notice requirements relating to the Patents;

(f) the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents listed on Exhibit A, free and clear of any liens, charges and encumbrances, including without limitation, licenses and covenants by the Assignor not to sue third persons;

(g) the Patents listed on Exhibit A are all of the United States Patents and applications therefor now owned by the Assignor; and

(h) the Assignor will, at any time upon request, communicate to the Assignee, its successors and assigns, any facts relating to the Patents or the history thereof as may be known to the Assignor or its officers, employees and agents, and cause such officers, employees and agents to testify as to the same in any infringement or other litigation at the request of the Assignee.

3. The Assignor agrees that, until the rights of the Assignee in the Patents are terminated pursuant to Section 6, it will not enter into any agreement that is inconsistent with the Assignor's obligations under this Assignment.

4. If, before the Liabilities shall have been satisfied in full, the Assignor shall obtain rights to any new patent, or become entitled to the benefit of any patent application, registration or any renewal or extension of any patent registration, such shall be included in the definition of "Patents" as used in this Assignment. Section 1 hereof shall automatically apply thereto and the Assignor shall give to the Assignee prompt notice thereof in writing. The Assignor authorizes the Assignee to modify this Assignment by amending Exhibit A to include any future patent.

5. The Assignor agrees not to sell, assign or encumber its interest in, or grant any license with respect to, any of the Patents.

6. The Assignor agrees that it will authorize, execute and deliver to Assignee all documents requested by Assignee to facilitate the purposes of this Assignment, including but not limited to documents required to record Assignee's interest in any appropriate office in any domestic or foreign jurisdiction (which the Assignor agrees the Assignee may do at any time, in the Assignee's sole and unlimited discretion but at the Assignor's expense) or to perfect Assignee's interest in any Patents acquired by the Assignor after the date of this Agreement. At such time as the Credit Agreement, the Note and the Security Agreement shall have been terminated in accordance with their terms, all non-contingent Liabilities have been satisfied, and all contingent Liabilities have expired, the Assignee shall on demand of the Assignor execute and deliver to the Assignor all termination statements and other instruments as may be necessary or proper to terminate this Assignment and assign to the Assignor all the Assignee's rights in the Patents, subject to any disposition thereof which may have been made by the Assignee pursuant hereto or pursuant to the Security Agreement.

7. Until the Credit Agreement, the Note and the Security Agreement shall have been terminated in accordance with their terms, all non-contingent Liabilities have been satisfied, and all contingent Liabilities have expired, the Assignor shall have the duty, through counsel reasonably acceptable to the Assignee, (i) to prosecute diligently any Patent application pending as of the date of this Assignment or thereafter; (ii) to make application on those patentable inventions, products and processes which are unregistered but capable of being registered and which a prudent person would reasonably cause to be registered and

(iii) to preserve and maintain all rights in all Patents which a prudent person would reasonably preserve and maintain. Any expenses incurred in connection with applications that constitute Patents shall be borne by the Assignor. The Assignor shall not abandon any application presently pending that constitutes a Patent without the written consent of the Assignee.

8. The Assignee shall have the right but shall in no way be obligated to bring suit in its own name to enforce or to defend the Patents and any license thereunder if the Assignor, following reasonable demand by Assignee, has failed to bring such suit in circumstances in which a prudent person would have brought such suit. The Assignor shall at the request of the Assignee do any and all lawful acts and execute any and all proper documents required by the Assignee in aid of such enforcement or defense (including without limitation participation as a plaintiff or defendant in any proceeding) and, if Assignor has failed to bring such suit in circumstances in which a prudent person would have brought such suit, the Assignor shall promptly, upon demand, reimburse and indemnify the Assignee for all reasonable costs and expenses incurred by the Assignee in the exercise of its rights under this Section.

9. This Assignment shall also serve to evidence the security interest in the Patents granted by the Assignor to the Assignee pursuant to the Security Agreement.

10. No course of dealing with the Assignor and the Assignee, failure to exercise, nor any delay in exercising, on the part of the Assignee, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. All of the Assignee's rights and remedies with respect to the Patents, whether established hereby, by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

12. This Assignment is subject to modification only by a writing signed by the parties, except as provided in Section 4 hereof.

13. This Assignment shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

14. This Assignment and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws (without giving effect to the conflicts of law principles thereof) of (i) any state as to rights or interests hereunder which arise under the laws of such state, (ii) the United States of America as to rights and interests hereunder which are registered or for the registration of which application is pending with the United States Patent and

Trademark Office and (iii) the State of Minnesota in all other respects. Whenever possible, each provision of this Assignment and any other statement, instrument or transaction contemplated hereby or relating hereto shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Assignment or any other statement, instrument or transaction contemplated hereby or relating hereto shall be held to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Assignment or any other statement, instrument or transaction contemplated hereby or relating hereto. In the event of any conflict within, between or among the provisions of this Assignment, the Note or the Security Agreement or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto, those provisions giving the Assignee the greater right shall govern.

IN WITNESS WHEREOF, the Assignor has executed this instrument.

HOMECREST INDUSTRIES  
INCORPORATED

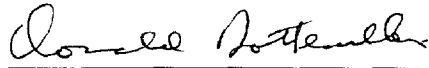
By   
Name: DONALD BOTTMILLER  
Title: PRESIDENT

EXHIBIT A TO COLLATERAL ASSIGNMENT OF PATENTS

U.S. PATENTS AND PATENT APPLICATIONS

<u>PATENT TITLE</u>	<u>PATENT NO.</u>	<u>ISSUE DATE</u>
Rocking Chair	4,371,142	02/01/83
Furniture Construction	4,456,301	06/26/84
Table With Resilient Edge	4,503,780	03/12/85
Method for Constructing Furniture Having a Flexible Sheet Portion	4,592,126	06/03/86
Rocking Chair Construction and Method of Making Same	4,718,723	01/12/88
Rocking Chair Construction and Method of Making Same	4,786,106	11/22/88
Furniture Construction With Folding Leg Assembly	4,905,612	03/06/90
Geriatric Chair	5,286,046	02/15/94

APPLICATION

Reclining Chair

Signed 04/15/96





CERTIFICATE

Homecrest Industries Incorporated hereby authorizes Wadena State Bank to substitute an Exhibit A in the form attached hereto for the Exhibit A attached to that certain Collateral Assignment of Patents dated as of January 27, 1997 from Homecrest Industries Incorporated to Wadena State Bank.

Dated: April 1, 1997.

HOMECREST INDUSTRIES INCORPORATED

By:   
Name: DONALD BOTTEMILLER  
Title: PRESIDENT

By:   
Name: LAWRENCE CALHOUN  
Title: VICE PRESIDENT

# EXHIBIT A TO COLLATERAL ASSIGNMENT OF PATENTS

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Furniture Construction With Folding Leg Assembly	4,905,612	03/06/90
Geriatric Chair	5,286,046	02/15/94

### APPLICATION

Reclining Chair, Docket Number 403.120013, filed April 15, 1996, Walter Ellis, Plant Supervisor, Inventor