

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Patent Security Agreement
CONVEYING PARTY DATA	
Name	Execution Date
Chelsea Industries, Inc.	07/31/2009
RECEIVING PARTY DATA	
Name:	Bank of America, N.A.
Street Address:	One Federal Street
City:	Boston
State/Country:	MASSACHUSETTS
Postal Code:	02110
PROPERTY NUMBERS Total: 2	
Property Type	Number
Patent Number:	6439771
Patent Number:	7204006
CORRESPONDENCE DATA	
Fax Number:	(617)227-4420
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
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Email:	jdavis@eapdlaw.com
Correspondent Name:	Jessica Davis
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Address Line 2:	Edwards Angell Palmer & Dodge LLP
Address Line 4:	Boston, MASSACHUSETTS 02199
ATTORNEY DOCKET NUMBER:	51443.0026
NAME OF SUBMITTER:	Jessica Davis
Total Attachments: 5 source=Chelsea - Patent Security Agreement#page1.tif source=Chelsea - Patent Security Agreement#page2.tif	

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PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Agreement"), dated as of July 31, 2009, is made between Chelsea Industries, Inc., a Massachusetts corporation (the "Borrower"), and Bank of America, N.A (the "Lender").

WITNESSETH:

WHEREAS, the Borrower and the Lender are parties to a certain Amended and Restated Loan and Security Agreement dated as of the date hereof between said parties (said Loan Agreement, as hereafter amended, supplemented and/or modified from time to time, being referred to herein as the "Loan Agreement");

WHEREAS, in connection with the Loan Agreement the Borrower has also executed and delivered a Continuing Guaranty dated as of the date hereof in favor of the Lender (as amended, supplemented or otherwise modified from time to time, the "Guaranty");

WHEREAS, under the Loan Agreement, the Borrower grants a continuing security interest in substantially all of its assets to secure all of the obligations of the Borrower to the Lender, now existing or hereafter arising, including without limitation all obligations of the Borrower to the Lender under the Loan Agreement and the Guaranty;

WHEREAS, it is a condition of the Loan Agreement and the Guaranty that the Borrower execute and deliver this Agreement in order to perfect the Lender's continuing security interest in all of the Patent Collateral (as defined below) to secure all Obligations (as defined in the Loan Agreement); and

WHEREAS, the Borrower has duly authorized the execution, delivery and performance of this Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Lender to enter into the Loan Agreement and to make Revolving Loans and issue Letters of Credit pursuant to the Loan Agreement, the Borrower agrees, for the benefit of each Lender, as follows:

Section 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Loan Agreement.

Section 2. Grant of Security Interest. The Borrower hereby assigns, pledges, hypothecates, charges, mortgages, delivers, and transfers to the Lender, and hereby grants to the Lender, a continuing security interest in all of the following property, whether now or hereafter existing or acquired by the Borrower (the "Patent Collateral");

(a) all of its letters patent and applications for letters patent throughout the world, including, without limitation, all patent applications in preparation for filing and each patent and patent application referred to in Item A of Schedule I attached hereto;

(b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause(a);

(c) all of its patent licenses, including, without limitation, each patent license referred to in Item B of Schedule I attached hereto; and

(d) all proceeds of, and rights associated with, the foregoing (including, without limitation, license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patents, and for breach or enforcement of any patent license.

Notwithstanding the foregoing, "Patent Collateral" shall not include any general intangibles or other rights arising under any contracts, instruments, licenses or other documents relating to any of the foregoing Patent Collateral as to which the grant of a security interest would (i) constitute a violation of a valid and effective restriction in favor of a third party on such grant, unless and until any required consents shall have been obtained or (ii) give any other party to such contract, instrument, license or other document the right to terminate its obligations thereunder pursuant to any valid and effective provision thereof.


Section 3. Security Agreement. This Agreement has been executed and delivered by the Borrower for the purpose of registering the security interest of the Lender in the Patent Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Lender under the Loan Agreement. The Loan Agreement (and all rights and remedies of the Lender thereunder) shall remain in full force and effect in accordance with its terms.

Section 4. Acknowledgment. The Borrower does hereby further acknowledge and affirm that the rights and remedies of the Lender with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Loan Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

Section 5. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

CHELSEA INDUSTRIES, INC.

By: 
Name: Emil S. Bernstein
Title: Executive Vice President

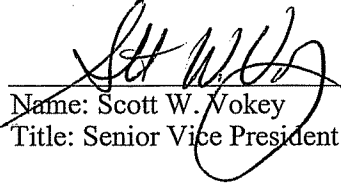
[Chelsea Patent Security Agreement]

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IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

BANK OF AMERICA, N.A.

By: _____


Name: Scott W. Vokey
Title: Senior Vice President

[Chelsea Patent Security Agreement]

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SCHEDULE I
to Patent Security Agreement
of Chelsea Industries, Inc.

Item A. Patents

Patents, Patent Applications and Patent Licenses

Issued Patents

Owner	Patent	Publication/ Patent No.	Issue Date	Country of Issue
Chelsea Industries, Inc.	Zippered Release Closure	6,439,771	August 27, 2002	United States
Chelsea Industries, Inc.	End-stop for zippered resealable closure	7204006	April 17, 2007	United States

Pending Patent Applications

NONE

Patent Applications in Preparation

NONE

Item B. Patent Licenses

None.