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| FORM PTO-1619A Expires 09/30/99 OMB 0651-0027 | RECEIVED 08-09-2000  101426343 | U.S. Department of Commerce Patent and Trademark Office PATENT |
| RECORDATION FORM COVER SHEET PATENTS ONLY | | |
| TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies). | | |
| Submission Type <input type="checkbox"/> New <input type="checkbox"/> Resubmission (Non-Recordation) Document ID# <input type="text"/> <input type="checkbox"/> Correction of PTO Error Reel # <input type="text"/> Frame # <input type="text"/> <input type="checkbox"/> Corrective Document Reel # <input type="text"/> Frame # <input type="text"/> | Conveyance Type <input type="checkbox"/> Assignment <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> License <input type="checkbox"/> Change of Name <input type="checkbox"/> Merger <input type="checkbox"/> Other <input type="text"/> U.S. Government (For Use ONLY by U.S. Government Agencies) <input type="checkbox"/> Departmental File <input type="checkbox"/> Secret File | |
| Conveying Party(ies) <input checked="" type="checkbox"/> Mark if additional names of conveying parties attached | | |
| Name (line 1) <input type="text" value="Mullen, Joseph"/> | | Execution Date Month Day Year <input type="text" value="02/26/99"/> |
| Name (line 2) <input type="text" value="Mullen, Barbara G."/> | | 02/26/99 |
| Second Party | | |
| Name (line 1) <input type="text" value="RCD Systems, Inc."/> | | Execution Date Month Day Year <input type="text" value="02/26/99"/> |
| Name (line 2) <input type="text" value="Rapid Cartridge Dispensing Systems, Inc."/> | | 02/26/99 |
| Receiving Party <input type="checkbox"/> Mark if additional names of receiving parties attached | | |
| Name (line 1) <input type="text" value="Siana and Vaughan, LLP"/> | | <input type="checkbox"/> If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.) |
| Name (line 2) <input type="text"/> | | |
| Address (line 1) <input type="text" value="P.O. Box 630"/> | | |
| Address (line 2) <input type="text"/> | | |
| Address (line 3) <input type="text" value="Exton"/> <input type="text" value="Pennsylvania"/> <input type="text" value="19341"/> | | |
| | | City State/Country Zip Code |
| Domestic Representative Name and Address Enter for the first Receiving Party only. | | |
| Name <input type="text"/> | | |
| Address (line 1) <input type="text"/> | | |
| Address (line 2) <input type="text"/> | | |
| Address (line 3) <input type="text"/> | | |
| Address (line 4) <input type="text"/> | | |
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FORM PTO-1619B
Expires 08/30/98
OMB 0651-0027

Page 2

U.S. Department of Commerce
Patent and Trademark Office
PATENT**Correspondent Name and Address**

Area Code and Telephone Number

610-321-5500

Name Stephen V. Siana

Address (line 1) P.O. Box 630, Exton, PA 19341

Address (line 2)

Address (line 3)

Address (line 4)

PagesEnter the total number of pages of the attached conveyance document
including any attachments.

#

Application Number(s) or Patent Number(s)☐

Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

5,673,817

5,797,524

If this document is being filed together with a new Patent Application, enter the date the patent application was
signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number

only if a U.S. Application Number
has not been assigned.

PCT

PCT

PCT

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Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 40.00

Method of Payment:

Deposit Account

Enclosed ☒Deposit Account ☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

☐

No

☐**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. Charges to deposit account are authorized, as
indicated herein.

Stephen V. Siana

Name of Person Signing

Signature

Date

3-1-00

FORM PTO-1619C

Expires 06/30/99
OMB 0651-0027**RECORDATION FORM COVER SHEET
CONTINUATION
PATENTS ONLY**U.S. Department of Commerce
Patent and Trademark Office
PATENT**Conveying Party(ies)**☐ Mark if additional names of conveying parties attached

Enter additional Conveying Parties

Name (line 1) Rapid Cartridge Dispensing Systems, LTD

Execution Date
Month Day Year

02/26/99

Name (line 2)

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Name (line 1)

Name (line 2)

Execution Date
Month Day Year**Receiving Party(ies)**☐ Mark if additional names of receiving parties attached

Enter additional Receiving Party(ies)

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

☐ If document to be recorded
is an assignment and the
receiving party is not
domiciled in the United
States, an appointment
of a domestic representative
is attached. (Designation
must be a separate
document from
Assignment.)

Address (line 3)

City

State/Country

Zip Code

Name (line 1)

Name (line 2)

☐ If document to be recorded
is an assignment and the
receiving party is not
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States, an appointment of a
domestic representative is
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be a separate document from
Assignment.)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Application Number(s) or Patent Number(s)☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)**Patent Number(s)**

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PLEDGE AGREEMENT

PLEDGE AGREEMENT (the "Agreement"), dated as of February 26, 1998⁹, made by JOSEPH F. MULLEN AND BARBARA G. MULLEN, husband and wife, ("Mullen") RCD SYSTEMS, INC. ("RCD"), RAPID CARTRIDGE DISPENSING SYSTEMS, INC. ("Rapid") and RAPID CARTRIDGE DISPENSING SYSTEMS, LTD. ("Rapid, Ltd."), each having an address of P.O. Box 248 Lionville, PA 19353 (Mullen, RCD, Rapid and Rapid, Ltd. are hereinafter collectively referred to as the "Pledgors"), to SIANA and VAUGHAN, P.C., having an address of 961 Pottstown Pike, P.O. Box 630, Exton, Pennsylvania, 19341 ("Pledgee"), as follows:

R E C I T A L S

A. Pledgors and Pledgee are parties to that certain Forbearance Agreement, dated as of even date herewith (the "Forbearance Agreement"), confirming that the Pledgors became indebted to Pledgee pursuant to the engagement letter by and between the Obligor and the Pledgors dated October 31, 1994 (the "Engagement Letter") for the aggregate sum of \$42,356.64, constituting the accrued fees and costs and interest thereon, plus an additional \$100,000 to cover fees and costs relating to the negotiation and drafting of the documents related to the Forbearance Agreement, the payment of which is further guaranteed hereby. All terms of the Forbearance Agreement are incorporated by reference herein.

B. Pursuant to the terms and conditions of the Engagement Letter, the Pledgors were required to pay all fees and costs, and any interest accrued thereon on a monthly basis.

C. The Pledgors failed to make the current monthly payments due under the Engagement Letter, and have failed to pay the accrued interest as required by the Engagement Letter. The Pledgors' failure to make the required payments under the Engagement Letter constitute an event of default under the Engagement Letter (the "Defaults").

D. By reason of the existence of the Defaults, Pledgee has full legal right to exercise their rights and remedies under the Engagement Letter. Such remedies include, but are not limited to, the right to enter a judgment against the Parties in an amount of \$42,356.64 which amount represents outstanding fees and costs and accumulated interest thereon due through August 31, 1998.

E. Pledgee has requested an additional \$100,000 to cover future legal costs relating to the negotiation and drafting of the documents related to the Forbearance Agreement.

F. In order to avoid the exercise by Pledgee of their remedies for Default, the Pledgors have executed an open-end Promissory Note allowing for the entry of a judgement against all parties in the total amount of \$142,356.64 being the sum of \$42,356.64 plus \$100,000.00 representing projected legal costs, subject to the terms and conditions set forth in this Agreement.

G. As security for the prompt and complete payment of the indebtedness evidenced by

the Note, Pledgors have agreed to pledge the Pledged Collateral (as that term is defined below) to Pledgee.

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy, and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE 1
Security Interest

1.1 Pledge. Pledgors hereby grants to Pledgee a first lien security interest in any and all assets of the Obligors, including, but not limited to, intellectual property and any proceeds therefrom (collectively, the "Pledged Collateral").

1.2 Obligations to be Secured. This Agreement provides additional security and secures the payment and performance of the indebtedness in favor of Pledgee arising under the Note, any renewals or extensions thereof or amendments thereto.

1.3 Delivery of Pledged Collateral. All titles or instruments representing or evidencing the Pledged Collateral shall be delivered to and held by Pledgee pursuant hereto and shall be duly endorsed to Pledgee or shall be otherwise in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Pledgee. Pledgee shall have the right at any time to exchange titles or instruments representing or evidencing Pledged Collateral for titles or instruments of smaller or larger denominations.

1.4 Fees and Expenses. The security interest herein granted shall also secure the payment and reimbursement of all sums and expenses, including reasonable attorneys' fees, court costs and collection and receivers' expenses, advanced or incurred by Pledgee in connection with the protection of the security interest herein granted, the preservation or disposition of the Pledged Collateral (or any part thereof) or the enforcement by Pledgee of the obligation to be secured.

1.5 Subsequent Transactions. Notwithstanding anything to the contrary in this Agreement, Pledgors expressly acknowledge and agree that subsequent to the date hereof, RCD, Rapid and/or Rapid, Ltd. may not be acquired or sold, or merged, consolidated or otherwise combined with or into another company. In the event of such acquisition, sale, merger, consolidation or other combination, the entire balance of the Note shall immediately become due and payable. In such event, Pledgors shall immediately surrender the Pledged Collateral to Pledgee, free and clear of any other encumbrances and free and clear of any warrants, options, and other rights.

ARTICLE 2

2.1 General Representations, Warranties and Covenants. Pledgors hereby represent and warrant to Pledgee and agrees that:

(a) except for the security interest granted by this Agreement, the Pledgors have all right, title and interest in and to the property now constituting the Pledged Collateral free and clear of any liens, claims, security interests, and other encumbrances and free and clear of any warrants, options, and other rights;

(b) the Pledged Collateral includes all such common stock owned beneficially or of record by the Pledgor;

(c) neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated hereby, nor the compliance with or performance of this Agreement, by Pledgor, conflicts with or will result in the breach or violation of or a default under the terms, conditions or provisions of (i) any security agreement, indenture, evidence of indebtedness, loan or financing agreement, partnership agreement, certificate of incorporation, by-law or other agreement or instrument to which Pledgors are a party or by which Pledgors are bound, or (ii) any provision of law, any order of any court or administrative agency, or any rule or regulation applicable to Pledgors;

(d) this Agreement has been duly executed and delivered by Pledgors, and constitutes the legal, valid and binding obligation of Pledgors, enforceable against Pledgors in accordance with its terms;

(e) there are no actions, suits or proceedings pending or threatened against or affecting Pledgors which involve or relate to the Pledged Collateral;

(f) Pledgors shall not (i) sell, transfer or convey any interest in any of such Pledgor's ownership interest of Pledged Collateral or (ii) suffer or permit any pledge, lien or encumbrance to be created upon or granted with respect to any of the Assets;

(g) from time to time hereafter Pledgors shall take any and all such further action, and shall execute and deliver any and all such further documents and/or instruments as Pledgee may require to accomplish the purposes of this Agreement, in order to enable Pledgee to exercise any of its rights hereunder; and

2.2 Voting Rights; Distributions; Etc. (a) So long as no Event of Default (as defined below) shall have occurred:

(1) Pledgors shall be entitled to exercise any and all of Pledgor's rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the

terms of this Agreement.

(2) Pledgors shall be entitled to receive and retain free and clear of the security interest of Pledgee hereunder any and all payments and distributions paid to Pledgors in respect of the Pledged Collateral or any part thereof, except that (A) any and all payments and distributions paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral shall also constitute Pledged Collateral and shall be promptly delivered to Pledgee in conformity with Section 1.3 hereof, and (B) any and all:

(i) payments and distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution, and

(ii) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral received by Pledgors shall be so received in trust for the benefit of Pledgee, be segregated from the other property or funds of Pledgor, and be forthwith delivered to Pledgee in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided in Section 1.3 hereof.

(3) Pledgee shall execute and deliver (or cause to be executed and delivered) to Pledgors all such instruments as Pledgors may reasonably request for the purpose of enabling such Pledgors to exercise rights which it is entitled to exercise pursuant to paragraph (i) above and to receive payments and distributions which it is authorized to receive and retain pursuant to paragraph (ii) above.

(b) Upon the occurrence of an Event of Default:

(1) All rights of Pledgors which it would otherwise be entitled to exercise pursuant to Section 1.3 and to receive the payments and distributions which it would otherwise be authorized to receive and retain pursuant to Section 1.3 shall cease, and all such rights shall thereupon become vested in Pledgee which shall thereupon have the sole right to exercise such voting and other consensual rights and to receive such interest and other distributions.

(2) All payments and distributions which are received by Pledgors contrary to the provisions of paragraph (i) of this Section 2.2 shall be received in trust for the benefit of Pledgee, shall be forthwith paid over to Pledgee, in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as provided in Section 1.3 hereof.

ARTICLE 3
EVENTS OF DEFAULT

3.1 The continued occurrence of any of the following after the expiration of stated grace period shall constitute an event of default ("Event of Default") hereunder:

(a) Default Under Note. An Event of Default under the Note.

(b) Breach of This Agreement. The material breach of any material representation, warranty or agreement of Pledgors contained in this Agreement, which remains uncured for thirty (30) days; provided, however, that if the breach is of a nature such that it cannot reasonably be cured within such thirty (30) day period, then the breach shall constitute an Event of Default only if Pledgors has not commenced in good faith to cure such breach within such thirty (30) day period.

(c) Breach Under Any Agreement. The material breach of any material covenant, term, provision, condition or obligation of Pledgors arising under the ~~Agreement to Purchase Stock or the Note~~, which remains incurred for thirty (30) days; provided, however, that if the breach is of a nature such that it cannot reasonably be cured within such thirty (30) day period, then the breach shall constitute an Event of Default only if Pledgors has not commenced in good faith to cure such breach within such thirty (30) day period.

(d) Bankruptcy. The insolvency, failure in business or appointment of a receiver to take charge of the business or property of Pledgors or the commission of an act of bankruptcy, the making of a general assignment for the benefit of creditors or the filing of any petition in bankruptcy by Pledgors or for relief under the Federal Bankruptcy Code, as amended, or under any other laws, whether federal or state, for the relief of debtors, now or hereafter existing, or the filing of any involuntary petition in bankruptcy against Pledgors unless the same is dismissed within thirty (30) days after the filing thereof.

(e) Sale of the Business. The conveyance, sale, transfer or other disposal whether in one transaction or in a series of transactions of (i) Pledgee's interest in the Corporation; or (ii) all or substantially all of the assets of the Corporation.

ARTICLE 4
REMEDIES UPON OCCURRENCE OF EVENT OF DEFAULT

4.1 Remedies of Pledgee.

(a) Upon the occurrence of an Event of Default, Pledgee shall have the right to (i) vote the Pledged Collateral in all matters, and (ii) exercise any other right as a secured creditor under the Uniform Commercial Code, as adopted in the Commonwealth of Pennsylvania, or (ii)

to exercise any other right it may have at law or in equity.

(b) In furtherance of the foregoing powers of Pledgee, Pledgors hereby authorize and appoint Pledgee (and any officer or agent of Pledgee, with full powers of substitution) as the true and lawful attorney-in-fact of Pledgor, in its name, place and stead to take any and all such action as Pledgee, in his sole discretion, may deem necessary or appropriate in furtherance of the exercise of the aforesaid powers. Nothing herein contained, however, shall be deemed to require or impose any duty upon Pledgee to exercise any of the rights or powers granted herein.

(c) Notwithstanding any other provisions of this Agreement, Pledgee agrees that all notices required to be delivered under this Agreement or any applicable law, including without limitation, notice of time of any public sale or the time after which a private sale or other intended disposition is to take place, shall be delivered not less than thirty (30) days prior to any such action, and such notice shall be deemed commercially reasonable notice for all purposes hereunder.

(d) Any cash held by Pledgee as Pledged Collateral and all cash proceeds received by Pledgee in respect of any sale of, collection from, or other realization on all or any part of the Pledged Collateral may, in the discretion of Pledgee, be held by Pledgee as collateral for, and/or then or at any time thereafter applied in whole or in part by Pledgee against, all or any part of the Note in such order as Pledgee shall elect. Any surplus of such cash or cash proceeds held by Pledgee and remaining after payment in full of any indebtedness secured by this Agreement shall be paid over to Pledgors or to whosoever may be lawfully entitled to receive such surplus.

(e) The foregoing rights and powers granted to Pledgee, and the foregoing power of attorney, shall be fully binding upon any Person who shall acquire any beneficial interest in any of the Pledged Collateral.

(f) Without limitation of the provisions of Article IV hereof, Pledgee may also:

(1) offer and sell all or any portion of the Pledged Collateral by means of a private placement restricting the offer or sale to a limited number of prospective purchasers who meet such suitability standards as Pledgee and its counsel may deem appropriate, and who may be required to represent that they are purchasing the Pledged Collateral for investment and not with a view to distribution; or

(2) realize upon and transfer for its own account the Pledged Collateral as full or partial payment.

(g) Nothing herein contained shall be deemed to require Pledgee to effect any sale or disposition of any of the Pledged Collateral at any time, or to consummate any proposed public or private sale at the time and place at which the same was initially called.

(h) Pledgors hereby waives all rights to require Pledgee to hold a public or private sale or to account for any surplus if Pledgee realizes upon the Pledged Collateral as set forth in subsection 1.3 hereof.

ARTICLE 5 MISCELLANEOUS

5.1 Applicable Law and Venue. This Agreement shall be construed under and in accordance with the Uniform Commercial Code as enacted in the Commonwealth of Pennsylvania and other applicable substantive laws of the Commonwealth of Pennsylvania without regard to conflicts. Pledgors hereby submits to the exclusive jurisdiction and venue of the United States District Court for the Eastern District of Pennsylvania and the Chester County, Pennsylvania Court of Common Pleas, for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto and any holder of the Note.

5.2 Binding on Successors. This Agreement shall be binding on and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns as permitted by this Agreement.

5.3 Attorneys' Fees. Should any legal action based in contract law be commenced between the parties to this Agreement concerning the Pledged Collateral, this Agreement, or the rights and duties of either party in relation to them, the prevailing party shall be entitled to a reasonable sum as reimbursement for reasonable attorneys' fees and legal expenses.

5.4 Entire Agreement. This Agreement, and all instruments or documents delivered pursuant hereto or thereto, together with all exhibits and schedules thereto, contain the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and may not be altered or amended except by the written agreement of the parties hereto.

5.5 Severability. Should any one or more provisions of this Agreement be determined to be illegal or unenforceable, all other provisions of this Agreement nevertheless shall be effective.

5.6 Terminology. Where the context or construction requires, all words applied in the plural shall be deemed to have been used in the singular and vice versa, the neuter shall include the masculine and feminine.

5.7 Headings. The headings of the several paragraphs hereof are included only for the convenience of reference and are not intended to govern, construe or modify any provisions of the several paragraphs hereof.

5.8 Notices. All notices, demands and requests of any kind which either party may be required or may desire to serve upon the other party hereto in connection with this Agreement shall be delivered only by courier or other means of personal service which provides written verification of receipt or by registered or certified mail return receipt requested (the "Notice"). Any such Notice or demand so delivered by registered or certified mail or courier shall be deposited in the United States mail, or in the case of courier, deposited with the courier, with postage thereon fully prepaid, addressed to the parties at the address(es) first set forth above.

Service of any such Notice or demand so made shall be deemed complete on the day of actual delivery thereof as shown by the addressee's registry, certification receipt or other evidence of receipt or upon first rejection. Either party hereto may from time to time by Notice in writing served upon the other as aforesaid designate a different mailing address or a different or additional person to which all such Notices or demands hereafter are to be addressed.

5.9 Survival. All warranties, representations and covenants made by the Pledgors herein or in any title or other instrument delivered by the Pledgors under this Agreement or under the Forbearance Agreement shall be considered to have been relied upon by Pledgee and shall survive the execution and delivery of this Agreement. All statements in any such certificate or other instrument shall constitute warranties and representations by each of the Pledgors hereunder.

IN WITNESS WHEREOF, Pledgors have executed this Agreement the date first set forth above.

WITNESS:

Barbara G. Mullen

Joseph F. Mullen
Joseph F. Mullen

Joseph F. Mullen

Barbara G. Mullen
Barbara G. Mullen

ATTEST:

RCD SYSTEMS, INC.

Joseph F. Mullen, Jr.
Joseph F. Mullen, Jr., Secretary

By: Joseph F. Mullen
Joseph F. Mullen, President

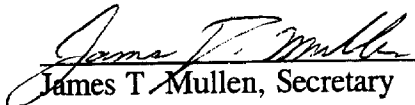
[signatures continued on the following page]


[signatures continued from the previous page]

ATTEST:

RAPID CARTRIDGE DISPENSING SYSTEMS,
LTD.

By: RAPID CARTRIDGE DISPENSING
SYSTEMS, INC., its General
Partner


James T. Mullen, Secretary

By: 
James T. Mullen, President

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