FORM PTO-1619A Expires 06/30/99 OMB 0651-0027

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Mail documents to be recorded with required cover sheet(s) information to: Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

PATENT

REEL: 011401 FRAME: 0530

| FORM PTC Expires 06/30/99 OMB 0651-0027 | 0-1619B | Page 2 | U.S. Department of Commerce Patent and Trademark Office PATENT | | | | | |
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| Correspond | ent Name and Add | ress Area Code and Telephone Numb | Der 215-523-7900 | | | | | |
| Name | Robert L. Fr | anklin, Esquire | | | | | | |
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| Address (line 4) | Philadelphia | , PA 19102 | | | | | | |
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PATENT REEL: 011401 FRAME: 0531

MORTGAGE AND SECURITY AGREEMENT - PATENTS

This MORTGAGE AND SECURITY AGREEMENT - PATENTS (the "Mortgage") is made as of this <u>f</u> day of <u>hec</u>, 2000, by The IdentiScan Company, LLC, a Connecticut limited liability company, with its chief executive office located at 420 Somers Road, Ellington, CT 06029 (the "Borrower"), in favor of Accu-Time Systems, Inc., a Pennsylvania corporation with its principal place of business located at 420 Somers Road, Ellington, CT 06029 ("ATS")

WITNESSETH:

WHEREAS, pursuant to that certain Loan and Security Agreement dated as of December 1, 2000 (as amended and in effect from time to time, the "Loan and Security Agreement"), by and between the Borrower and ATS, ATS has agreed to make loans, advances and other extension of credit to the Borrower upon the terms and subject to the conditions set forth therein. It is a condition precedent to the obligation of ATS to make loans, and other extensions of credit to the Borrower under the Loan and Security Agreement that the Borrower shall have executed and delivered this Mortgage to ATS;

WHEREAS, the Borrower is the sole and exclusive owner or licensee of the United States Patents, applications for United States Patents and all other corresponding Patents and applications in any states or foreign countries as set forth on Schedule A annexed hereto and made a part hereof and (the "Patent Rights"); and

WHEREAS, pursuant to the Loan and Security Agreement between the Borrower and ATS (the "Security Agreement"), the Borrower has granted ATS a security interest in, among other things, the Patent Rights, on the terms and conditions set forth in the Loan and Security Agreement; and

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions set forth in the Loan and Security Agreement, the Borrower hereby agrees with ATS as follows:

1. The Borrower hereby grants, conveys and transfers to ATS, its successors and assigns, on the terms and conditions set forth in the Loan and Security Agreement, and as security for the obligations and liabilities of the Borrower under the Loan and Security Agreement and any and all other documents, instruments and agreements executed and delivered pursuant thereto and in connection therewith, whether now existing or hereafter arising, a first lien upon and security interest in all of the Borrower's right, title, and interest in, to and under the Patent Rights, together with (i) all reissues or extensions thereof, (ii) all claims for damages by reason of past or future infringement of the Patent Rights with the right to sue for and collect said damages and the right to collect all royalties under any license agreements with respect to any of the Patent Rights, whether now or hereafter granted and (iii) all proceeds thereof (hereinafter sometimes collectively referred to as the "Collateral").

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- 2. Except as provided in the Loan and Security Agreement, the Borrower represents and warrants unto ATS that the Borrower has not heretofore assigned, transferred or encumbered its right, title and interest in, and under the Collateral.
- 3. Except as provided in the Security Agreement, the Borrower represents and warrants that it knows of no impediments to the validity and/or enforceability of any or all of the Patent Rights.
- 4. The Borrower represents and warrants that the Patent Rights are all the Patents (domestic and foreign) used by the Borrower or in connection with its business.
- 5. The Borrower covenants and agrees with ATS that, so long as this Mortgage shall remain in effect:
- (a) The Borrower shall, in the exercise of its reasonable legal and business judgment, pay all fees necessary for the issuance, maintenance, renewal or reissuance of the Patent Rights and shall do all such other acts and things necessary for maintaining the Patent Rights.
- (b) The Borrower shall, in the exercise of its reasonable legal and business judgment, endeavor to detect and prevent any infringement of the Patent Rights, including, in the exercise of its reasonable legal and business judgment, the bringing of infringement suits to enforce the Patent Rights. The Borrower shall inform ATS of any actual or suspected infringement of the Patent Rights of which it has knowledge and of any action contemplated or taken by the Borrower in response to such infringement. ATS shall have the right, in consultation with the Borrower, to require the Borrower to take such action as ATS may reasonably determine to be required to enforce such Patent Rights.
- (c) The Borrower shall, in the exercise of its reasonable legal and business judgment, undertake to defend any attack upon the Patent Rights and upon the validity and enforceability thereof. ATS shall have the right, in consultation with the Borrower, to require the Borrower to take such action as ATS may reasonably determine to be required to defend the Patent Rights.
- (d) The Borrower shall not, in the exercise of its reasonable legal and business judgment, permit the Patent Rights to lapse or otherwise abandon the Patent Rights.
- (e) At any time and from time to time, the Borrower shall, upon the request of ATS, execute and deliver such further documents and do such other acts and things as ATS reasonably may require in order to effect the purpose of this Mortgage and of the rights and powers herein granted, including, without limitation, all documents necessary or advisable to record title to the Collateral, including valid, recordable assignments of any or all of the Patent Rights, and the Borrower does hereby irrevocably appoint ATS, its successors and assigns, as its attorney-in-fact to execute any or all of such documents and to do such other things or acts on

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- Until the occurrence of an Event of Default as defined in the Loan and Security Agreement and subject to the provisions thereof ATS hereby acknowledges the Borrower's exclusive right and license to use the Collateral for the Borrower's own benefit and account, to grant licenses and sublicenses on reasonable terms with respect to the Collateral and to generally deal in the ordinary course of business with the Collateral. The foregoing grant of authority shall not permit the Borrower to take any actions prohibited hereunder.
- Notwithstanding anything to the contrary, nothing herein contained shall relieve the Borrower from the performance of any covenant, agreement or obligation on the Borrower's part to be performed under any license agreement now existing or hereafter executed by the Borrower licensing the use of the Collateral or any part thereof or from liability to any licensee thereunder or other party or impose any liability on ATS for the acts or omissions of the Borrower in connection with any such license or license agreement.
- This Mortgage shall terminate upon written notice by ATS to the Borrower that all of the obligations secured hereby have been fully paid and performed and, upon such termination, all rights on the Collateral mortgaged and in which a security interest is granted hereunder shall be reconveyed by ATS to the Borrower and ATS shall promptly execute and deliver to the Borrower such documents or instruments as the Borrower may reasonably request of such termination.
- This Mortgage shall be binding upon the Borrower, its successors, and assigns and shall inure to the benefit of ATS and its successors and assigns.
- This Mortgage may not be amended or modified except as set forth in the Loan 10. and Security Agreement.

IN WITNESS WHEREOF, the Borrower and ATS have executed this Mortgage as of the date first set forth above.

ACCU-TIME SYSTEMS, INC.

THE IDENTISCAN COMANY, LLC

By: Christophy / Bracles Name: Christopher A. Broders

Title: President

Attest:

Name: Steven M. Luscinski

Title: Secretary

By: Clius Toplus A. Broders
Name: Christopher A. Broders

Title: Manager



COUNTY OF TOLLAND) at Ellington.

On this the 7 day of December, 2000, before me, the undersigned officer, personally appeared Christopher A. Broders who acknowledged himself to be the President of Accu-Time Systems, Inc., a corporation, and that he, as such officer, being authorized to do so to do, executed the foregoing instrument for the purposes therein contained as his free act and deed and the free act and deed of the corporation, by signing the name of the corporation by himself as such officer.

In Witness Whereof I hereunto set my hand.

Notary Public/My Commission Expires:

Commissioner of the Superior Court 11/30/02

STATE OF Lennsylvania)

COUNTY OF Buche) at <u>Telford</u>.

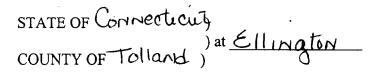
On this the Aday of Accuration, 2000, before me, the undersigned officer, personally appeared Steven M. Luscinski who acknowledged himself to be the Secretary of Accu-Time Systems, Inc., a corporation, and that he, as such officer, being authorized to do so to do, executed the foregoing instrument for the purposes therein contained as his free act and deed and the free act and deed of the corporation, by signing the name of the corporation by himself as such officer.

In Witness Whereof I hereunto set my hand.

Notary Public

Notarial Seal Carolyn J. Hafler, Notary Public Hatfield Twp., Montgomery County My Cornmission Expires April 14, 2001

Member, Pennsylvania Association of Notaries



On this, the <u>7</u> day of <u>December</u>, 2000, before me, the undersigned officer, personally appeared Christopher A. Broders who acknowledged himself to be the Manager of The Identiscan Company, LLC, a Connecticut limited liability company, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained as his free act and deed and the free act and deed of the said limited liability company, by signing the name of the company by himself as such officer.

In Witness Whereof, I hereunto set my hand.

Notary Public/My Commission Expires: 11/30/02
Commissioner of the Superior Court



SCHEDULE A

TO MORTGAGE AND SECURITY AGREEMENT-PATENTS

The IdentiScan Company, LLC Patents

Juris.Serial No.TitleFiling DateDate GrantedPatent No.U.S.08/926,284Appartus for Controlling The9/05/199711/14/20006,148,091

Rental and Sale of Age Controlled Merchandise and for

Controlling Access to Age Controlled Services

Canada 2,242,205 Appartus for Controlling The 6/30/98 11/07/2000 2,242,205

Rental and Sale of Age Controlled Merchandise and For Controlling Access to Age

Controlled Services

Pending Patents

JurisdictionSerial No.TitleStatusFiling DateU.S.09/502,259Apparatus for Controlling ThePending02/11/2000

Rental and Sale of Age Controlled Merchandise and for Controlling Access to Age Controlled

Services

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RECORDED: 12/19/2000

PATENT

REEL: 011401 FRAME: 0537