

01-26-2001

SHEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Tab settings ⇨ ⇨ ⇨ ▼



To the Honorable Commissioner of

101594541

attached original documents or copy thereof.

1. Name of conveying party(ies):

ROBERT T. GUNN

1.5.01

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

3. Nature of conveyance:

☐ Assignment☐ Merger☐ Security Agreement☐ Change of Name☒ Other PLEDGE AGREEMENTExecution Date: SEPTEMBER 1, 2000

2. Name and address of receiving party(ies):

Name: NEWCO FRICTION TECHNOLOGIES~~Internal Address:~~ CORP.

Street Address: _____

192 Lexington Avenue, Suite 903City: New York State: NY ZIP: 10017Additional 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)

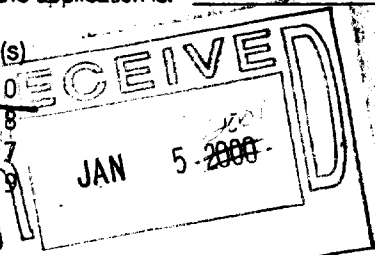
B. Patent No.(s)

5590420

5752278

5829057

6061829

Additional numbers attached? ☐ Yes ☒ No

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

Name: DAVID NEWMAN

Internal Address: _____

6. Total number of applications and patents involved: 4

7. Total fee (37 CFR 3.41):..... \$ _____

☐ Enclosed☒ Authorized to be charged to deposit account

8. Deposit account number:

14-0783

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

DO NOT USE THIS SPACE

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 B. Newman, Jr.

Name of Person Signing

Signature David B. Newman, Jr.

Jan. 4, 2001

Date

Total number of pages comprising cover sheet:

1

Reg No 30,766

PATENT
REEL: 011442 FRAME: 0917

PLEDGE AGREEMENT

AGREEMENT dated September 1, 2000 by and between NEWCO Friction Technologies Corp., a Delaware corporation ("Newco") and RICHARD LITTLE ("RL").

Newco has agreed to provide security/collateral for the repayment to RL of monies loaned (which monies, together with interest, herein call "Liabilities") to PTFE, LLC, a Delaware limited liability company ("PTFE") and its successor Friction Free Technologies, Inc. (PTFE and Friction Free Technologies are collectively referred to as the "Debtor"), and Newco, a Delaware New Business Development Company ("Newco"), pursuant to a Heads of Agreement (attached as Exhibit 1) and the Guaranty Agreement (attached as Exhibit 2), each dated the date thereof (the "Funding Agreement[s]"); has agreed to pledge the Patents (as defined herein) and Low Friction Technology (as defined herein) to RL. The Debtor and Newco are collectively referred to as the "Companies"

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Security Interest by Newco.

(a) As security for the payment of the Liabilities, Newco hereby pledges, hypothecates, assigns, transfers, sets over and delivers unto RL and hereby grants to RL a continuing security interest in the Patents and Low Friction Technology.

(b) (i) The term "Patent" as used herein shall mean U.S. Patents Nos. 5590420, 5752278, 5829057 and 6061829 (the "U.S. Patents ") and all international patents and patent applications based on such U.S. Patents (collectively, the "Patents ") and the trademarks listed on Exhibit A attached hereto (the "Trademarks")..

(ii) The term "Low Friction Technology" shall mean The Patents, Trademarks, know-how, trade secrets and improvements and additions on any of them and RTG's rights and interest in an Exclusive Royalty Free License Agreement between RTG and PTFE, Inc., a Georgia corporation dated as of January 1, 1997 are collectively referred to as the "Low Friction Technology." RTG shall convey to Newco all current and future Low Friction Technology and the intellectual property rights associated with the Low Friction Technology.

2. Warranties, Delivery Covenants and Further Assurances.

(a) NEWCO represents and warrants to RL that it is the lawful owner of all of the Patents and Low Friction Technology, free of all claims and liens other than the security interest hereunder, with full right to delivery, pledge, assign and transfer such Patents and Low Friction Technology to RL hereunder.

(b) NEWCO represents and warrants to RL that the execution of this Agreement does not violate any provision of any contract, agreement, understanding, decree, judgment, or order of court to which he is a signatory or by which he is bound.

(c) NEWCO agrees that at any time upon the written notice of RL, NEWCO will execute and deliver such further documents and do such further acts and things as RL may reasonably request in order to effect the purposes of this Agreement.

3. Voting Rights. So long as no Event of Default (as hereinafter defined) shall have occurred and has not been cured, satisfied or waived, NEWCO may exercise rights in respect of the Patents and Low Friction Technology, provided that NEWCO shall not exercise any of such rights in a manner which would be inconsistent with any provisions of this Agreement or the Funding Agreement[s]. Upon the occurrence and continuance of an Event of Default and so long as the Liabilities remain unpaid, all rights of NEWCO with respect to the Patents and Low Friction Technology shall cease and RL shall have the sole and exclusive right to exercise all rights with respect to the Patents and Low Friction Technology as if he were the owner thereof.

4. Default. An Event of Default shall occur if (i) either Newco or Debtor (a) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as such debts become due; (b) makes an assignment for the benefit of creditors, petition or applies to any tribunal for the appointment of a custodian, receiver or trustee; (c) commences any proceedings under any bankruptcy, reorganization, adjustment of debt or similar law; or (d) has a petition or application filed against it under any bankruptcy, reorganization, adjustment of debt or similar law, which is not promptly stayed; (ii) NEWCO breaches any provision of this Agreement, and such breach continues for ten (10) days after notice of such breach has been given or (ii) PTFE or Newco shall fail to fully repay the Liabilities as provided for in Section 4(a) of the Funding Agreement. The occurrence and continuance of an Event of Default shall entitle RL to all the rights and remedies available to him under the Uniform Commercial Code as in effect from time to time in New York, provided, however, that, notwithstanding anything to the contrary, (a) RL shall, upon the occurrence and continuance of an Event of Default, retain the Patents and Low Friction Technology in full satisfaction of the Liabilities, and (b) the liability of NEWCO shall in all events be limited to the transfer and assignment of his rights in the Patents and Low Friction Technology to RL and NEWCO shall not be liable for any deficiency in the value of the Patents and Low Friction Technology as compared to the Liabilities. No delay on the part of RL in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by RL of any right or remedy shall preclude other or further exercise or the exercise of any other right or remedy.

5. Notices.

(a) All notices (a "Notice") permitted or required to be given under this Agreement shall be either: (i) delivered by personal service, (ii) delivered by nationally recognized overnight courier service, or (iii) sent by certified or registered mail, postage prepaid,

return receipt requested, to the parties hereto at their address set forth below or at such other address which may be designated by a party by Notice:

(b) Notices are to be sent to the following addresses:

If to NEWCO to: Newco
192 Lexington Avenue, Suite 903
New York, NY 10017

With a copy to: Ruskin, Moscou, Evans & Faltischek, P.C.
170 Old Country Road
Mineola, NY 11501-4366
Attention: Norman M. Friedland, Esq.

If to RL to: Richard Little
195 Hicks Street - Apt. 3C
Brooklyn, NY 11201

With a copy to: Lawrence G. Weppler, Esq.
150 East 69th Street
New York, NY 10021-5704

(c) A Notice shall be effective (i) upon receipt in the case of personal or courier service, or (ii) on the third (3rd) day after posting in the U.S. mail.

6. Binding Agreement; Assignment. This Agreement, and the terms, covenants and conditions hereof, shall be binding upon each of the parties hereto, and their respective successors, and assigns.

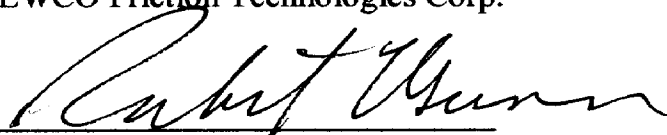
7. Governing Law, Consent to Jurisdiction, Venue and Service of Process. All questions, claims, controversies or other matters concerning this Agreement, including, but not limited to, its execution, interpretation and performance, shall be governed by the laws of the State of New York, and shall be determined by a state or Federal court located in the City of New York.

8. Entire Agreement and Modifications of Agreement. This Agreement constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and shall not be modified except in writing signed by all of the parties.

9. Counterparts. This Agreement may be executed in any number of counterparts, including facsimile counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

NEWCO Friction Technologies Corp.

A handwritten signature in black ink, appearing to read "Robert G. Hunter", written over a horizontal line.

Title: President

A handwritten signature in black ink, appearing to read "Richard Little", written over a horizontal line.

RICHARD LITTLE