

Form PTO-1595 (Rev. 09/04)  
OMB No. 0651-0027 (exp. 6/30/2008)

U.S. DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office

# RECORDATION FORM COVER SHEET PATENTS ONLY

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

## 1. Name of conveying party(ies)/Execution Date(s):

Thomas P. Castellano

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

Name: Kevin DeMeritt

Internal Address:

Street Address: 6805 Dume Drive

City: Malibu

State: California

Country: USA

Zip: 90401

Execution Date(s) September 21, 2004

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

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

## 3. Nature of conveyance:

☐ Assignment

☐ Merger

☒ Security Agreement

☐ Change of Name

☐ Government Interest Assignment

☐ Executive Order 9424, Confirmatory License

☐ Other

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

A. Patent Application No.(s)

US 2004/0035491

☐ This document is being filed together with a new application.

B. Patent No.(s)

See Exhibit "A" (attached)

Additional numbers attached? ☒ Yes ☐ No

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

Name: Kevin DeMeritt

Internal Address:

Street Address: 6805 Dume Drive

City: Malibu

State: California

Zip: 90401

Phone Number: 310-568-5099

Fax Number: 310-458-1681

Email Address: kdemeritt@sprintmail.com

## 6. Total number of applications and patents involved:

13

## 7. Total fee (37 CFR 1.21(h) & 3.41) \$ 520.00

☒ Authorized to be charged by credit card

☐ Authorized to be charged to deposit account

☐ Enclosed

☐ None required (government interest not affecting title)

## 8. Payment Information

a. Credit Card Last 4 Numbers 1000

Expiration Date 01/06

b. Deposit Account Number

Authorized User Name

## 9. Signature:

Signature

Date

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents:

18

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1480, Alexandria, VA 22304-1480

**EXHIBIT "A"****PATENTS AND PATENT APPLICATIONS**

<u>Patent #</u>	<u>Title</u>	<u>Issue Date</u>
US 6,613,011 B2	Gas-Pressured Engine with valve	Sep. 2, 2003
US D483,116 S	Needle-less Injector	Dec. 2, 2003
US 6,673,034 B2	Gas Powered sources for a needle-Less injector and needle-less Injectors incorporating the same	Jan. 6, 2004
US 5,730,723	Gas Pressured Needle-less injection Device and method	Mar. 24, 1998
US 5,851,198	Gas Pressured needle-less Injection Device and method	Dec. 22, 1998
US 6,063,053	Gas Pressured needle-less Injection Device and Method	May 16, 2000
US 6,080,130	Gas Power Source for a Needle-less Injector	Jun. 27, 2000
US 6,156,008	Device for Avoiding Subdermal Hematomas from an Injection	Dec. 5, 2000
US 6,302,160 B2	Apparatus and Method for Filling An Ampule of a Needle-less Injector	Oct. 16, 2001
US 6,474,369 B2	Apparatus and Method for Delivering A Lyophilized active with a Needle-less Injector	Nov. 5, 2002
US 6,500,239 B2	System and Method for Removing Dissolved Gas from a Solution	Dec. 31, 2002
US 6,613,010 B2	Modular Gas-Pressured Needle-less Injector	Sep. 2 2003
<u>Patent Application #</u>	<u>Title</u>	<u>Filing Date</u>
US2004/0035491	Method and Apparatus for Needle-Less Injection with a Degassed Fluid	Feb. 26, 2004

PATENT AND TRADEMARK  
PLEDGE AND SECURITY AGREEMENT

THIS PATENT AND TRADEMARK PLEDGE AND SECURITY AGREEMENT (this "Agreement"), is entered into as of September 21, 2004, between THOMAS P. CASTELLANO, an individual ("Pledgor"), and KEVIN DEMERITT, an individual ("Lender").

W I T N E S S E T H:

A. Lender has or will make a loan (the "Loan") in the aggregate principal amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) to PENJET CORPORATION, a California corporation ("Borrower"), which Loan is evidenced by, among other documents, that certain Convertible Promissory Note (the "Note") of substantially even date herewith executed by Borrower in favor of Lender, and that certain Warrant and Note Purchase Agreement (the "Purchase Agreement") of substantially even date herewith between Borrower and Lender. The Note, the Purchase Agreement and all other documents, agreements and instruments evidencing and/or securing the Loan are hereinafter collectively referred to as the "Loan Documents."

B. Pledgor holds an equity interest in Borrower and shall receive substantial direct and indirect benefits from the Loan.

C. Pledgor has executed a Guaranty of even date herewith (the "Guaranty") in favor of Lender, whereby Pledgor has guaranteed repayment of the Loan and the performance of obligations relating thereto.

D. Except for the execution by Pledgor of the Guaranty and this Agreement, Lender would not have made the Loan to Borrower.

NOW, THEREFORE, for and in consideration of the foregoing and for other good and valuable consideration the receipt of which is hereby acknowledged, the parties agree as follows:

1. Recitals; Definitions.

(a) Generally. The recitals set forth above are true and correct and are incorporated herein by reference. Capitalized terms used herein which are defined in the Uniform Commercial Code as in effect from time to time in the State of California (the "UCC") shall have the meanings given them in Article 8 or Article 9, as applicable, and the other capitalized terms used but not defined herein shall have the meaning ascribed to them in the Loan Documents, in each case unless the context clearly requires otherwise.

(b) Specific Definitions.

(i) "Patents" shall mean all of Pledgor's right, title and interest in and to all patents and applications for patents related to or arising from the technology commonly known as "Penjet," all fees, royalties and rights with respect thereto, including, without limitation, the right to sue for past infringement and damages, all licenses thereunder, all as

presently existing, arising or acquired, including, without limitation, the patents and applications for patents listed on Exhibit "A" attached hereto, and any and all divisions, continuations, continuations-in-part, corresponding foreign patents and patent applications related thereto.

(ii) "Trademarks" shall mean all of Pledgor's right, title and interest in and to all trademarks, service marks, collective membership marks, any registrations and applications for registration therefor related to or arising from the technology commonly known as "Penjet," together with all respective rights associated with each such mark, including, without limitation, the right to sue for past infringement and damages, all licenses thereunder, all as presently existing, arising or acquired, including, without limitation, the marks listed on Exhibit "B" attached hereto, and any and all continuations or renewals thereof or corresponding foreign trademark registrations and trademark applications related thereto.

2. Pledge.

(a) Grant of Security Interest. Pledgor presently and irrevocably pledges, hypothecates, assigns, delivers and transfers to Lender, and grants to Lender a continuing first priority security interest, with the power of sale (to the extent permitted by law), in and to all of the following property (collectively, the "Collateral"), whether now owned or hereafter acquired or coming into existence:

(i) An undivided ten percent (10%) interest in all Pledgor's rights, title and interest in and to the Patents and Trademarks, including all of Pledgor's rights, title and interest, whether direct or indirect, whether legal, beneficial or economic, and whether fixed or contingent, as a holder of such Patents and Trademarks (the "Pledged Interests");

(ii) all instruments, certificates, or other writings evidencing the Pledged Interests;

(iii) all of Pledgor's right, title and interest in, to and under the applications related to such Pledged Interests;

(iv) all rights and privileges of any nature, and to participate in all income, profits, royalties, fees and other distributions on or with respect to the Pledged Interests;

(v) all books and records (in whatever form or media, including without limitation copies of all computerized records relating to any of the foregoing;

(vi) all of Pledgor's rights, title and interest, whether direct or indirect, whether legal, beneficial or economic, and whether fixed or contingent, in and to all Pledgor's Documents, General Intangibles, Records, Software, and Supporting Obligations related to the Pledged Interests; and

(vii) all Proceeds (including, without limitation Non-cash Proceeds) of any of the foregoing;

(b) Security for Obligations. This Agreement secures all obligations of Pledgor, as "Guarantor," under the Guaranty and all obligations of Pledgor under this Agreement (collectively, the "Secured Obligations").

(c) Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until payment and performance in full of all Secured Obligations. Upon the payment and performance in full of all Secured Obligations, the security interests granted herein shall terminate and all rights to the Collateral shall revert to Pledgor. Upon any such termination, Lender shall, without cost to Lender, deliver to Pledgor, without any representations, warranties or recourse of any kind whatsoever, all certificates, instruments or other writings representing or evidencing all Collateral then held by Lender hereunder, and execute and deliver to Pledgor such documents as Pledgor shall reasonably request to evidence such termination.

(d) Security Interest Absolute. Subject to the rights of Pledgor set forth in Section 5 of this Agreement, all rights of Lender and the security interests granted to Lender hereunder, and all obligations of Pledgor hereunder, shall be absolute and unconditional, irrespective of:

(i) any lack of validity or enforceability of any of the Loan Documents or the Guaranty, or

(ii) the failure of Lender to assert any claim or demand or to enforce any right or remedy against the Borrower or any other person (including any Pledgor) under the provisions of any of the Loan Documents, the Guaranty or otherwise; or

(iii) any change in the time, manner or place of payment of, or in any other term of, any of the Secured Obligations; or

(iv) any reduction, limitation, impairment or termination of any of the Secured Obligations for any reason (other than payment and performance in full of the Secured Obligations), including any claim of waiver, release, surrender, alteration or compromise; or

(v) any amendment to, rescission, waiver or other modification of, or any consent to or departure from, any of the terms of any of the Loan Documents or the Guaranty; or

(vi) any addition, exchange, release or surrender, or non-perfection of any security interest in, any other collateral securing the Secured Obligations, or any amendment to or waiver or release of or addition to or consent to departure from any guaranty, for any of the Secured Obligations; or

(vii) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Borrower, Pledgor, any surety, any other obligor or any other debtor.

(e) Waiver of Subrogation. Until such time as the Secured Obligations are paid and performed in full in accordance with the terms of the Loan Documents and the

Guaranty, Pledgor hereby irrevocably waives any claim or other right which it may now have or hereafter acquire against the Borrower in connection with this Agreement, including any right of subrogation or reimbursement or any right to participate in any claim or remedy of Lender against the Borrower which arises out of the occurrence of a Pledge Event of Default.

3. Representations and Warranties. As of the date hereof and as at the date of each pledge and delivery of Collateral hereunder, Pledgor represents and warrants as follows:

(a) Authorization. Pledgor has full power and authority to execute this Agreement and to undertake and consummate the transactions contemplated hereby. This Agreement has been duly and validly executed by or on behalf of Pledgor and constitutes the legal, valid and binding obligation of Pledgor and is enforceable against Pledgor in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency and other similar laws limiting the enforcement of creditors' rights generally and to general principles of equity.

(b) Agreement will Cause No Defaults. The execution, delivery and performance of this Agreement by Pledgor does not and will not violate, or contravene (i) any vote, certificate or agreement of Pledgor, (ii) any existing license, contract, indenture or other agreement binding upon Pledgor or (iii) any existing law, statute, regulation, order, decree or judgment applicable to Pledgor or its property.

(c) Patents. All of the Patents identified on Exhibit "A" are controlled by Pledgor as of the date hereof and the information contained on Exhibit "A" accurately reflects the existence and status of each of the Patents listed therein as of the date hereof.

(d) Trademarks. All of the Trademarks identified on Exhibit "B" are controlled by Pledgor as of the date hereof and information contained on Exhibit "B" accurately reflects the existence and status of each of the Trademarks listed therein as of the date hereof.

(e) Ownership, No Liens, etc. Pledgor is the legal, record and beneficial owner of, and has good and marketable title to the Collateral in which it grants a security interest to Lender under this Agreement, free and clear of all liens, security interests, options or other charges or encumbrances, other than the security interest granted pursuant hereto and for licenses entered into in the ordinary course of business for fair consideration and without material harm to Lender as the holder of the Note or to Lender's rights under the Loan Documents.

(f) Authorization, Approval, etc. No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person is required for the execution, delivery, and performance of this Agreement by Pledgor.

(g) Characterization of Pledged Interests. The Pledged Interests are considered "general intangibles" under Article 9 of the UCC.

4. Covenants; Special Representations and Covenants of Pledgor.

(a) Protect Collateral. Pledgor agrees that it shall not sell, assign, transfer, pledge or encumber in any other manner the Collateral, except (i) for the pledge to Lender hereunder, (ii) for licenses entered into in the ordinary course of business for fair consideration

and without material harm to Lender as the holder of the Note or to Lender's rights under the Loan Documents, and (iii) as otherwise permitted in writing by Lender. Pledgor shall warrant and, at its expense, defend the right and title herein granted unto Lender in and to the Collateral (and all right, title and interest represented by the Collateral) against the claims and demands of all persons whomsoever.

(b) Maintenance. Pledgor shall, at its own expense, maintain the Patents and Trademarks, including, but not limited to, filing all applications and registrations, obtaining letters patent, filing all affidavits and renewals, and the payment of all fees, costs and expenses related to the filing and maintenance of the same.

(c) No Sale. Pledgor will not sell or otherwise dispose or encumber the Collateral (including, without limitation the Patents and Trademarks) without the prior written consent of Lender.

(d) Further Assurances. Pledgor shall, at its expense, promptly take all further action, and shall cause Borrower to promptly take all further action, that Lender may reasonably request in order to perfect and protect and maintain the perfection and priority of any security interest granted or purported to be granted hereby. In furtherance of the foregoing, Pledgor hereby authorizes Lender to file such Uniform Commercial Code financing statements and United States Patent and Trademark Office ("PTO") security instruments as Lender shall deem necessary or desirable containing a description of the Collateral pledged by Pledgor under this Agreement sufficient to satisfy the requirements of Article 9 of the UCC and the PTO.

(e) Distributions and Other Sums Held In Trust. If Pledgor receives any distributions or any other funds in violation of this Agreement (including, without limitation, any distributions prohibited in Section 2(e) herein), Pledgor shall hold such distributions and other sums separate and apart from its other property in trust for Lender and shall, within thirty (30) days after receipt thereof, deliver the same to Lender.

(f) Subordination and Waiver of Payment. Pledgor hereby subordinates (and Pledgor's right to payment shall be suspended with respect to) any claims or liens of such Pledgor against Borrower of any kind (including, without limitation, any reimbursement of expenses or costs) that Pledgor is otherwise entitled to from time to time (collectively, "Pledgor Claims"), to all of the Secured Obligations and to any other claims or liens of Lender against the Borrower or its property with respect to the Loan; provided, however, so long as no Pledge Event of Default has occurred and is continuing, Pledgor shall be entitled to receive payment of its Pledgor Claims. Notwithstanding anything stated to the contrary in this Section 4(f) or elsewhere in this Agreement, Pledgor hereby waives its right to the receipt of (and Pledgor shall no longer be entitled to receive) any unpaid Pledgor Claims following the occurrence of an event of default under the Loan Documents.

(g) Covenants of Pledgor Regarding Borrower. Pledgor agrees that it shall not take any action, or omit to take any action, which would cause Borrower to breach any of the representations, warranties and covenants set forth in the Loan Documents.

5. Lender.

(a) Lender Appointed Attorney-in-Fact. Effective upon and during the continuance of a Pledge Event of Default only, Pledgor hereby irrevocably appoints Lender as such Pledgor's attorney-in-fact, with full power and authority in the name and place of such Pledgor or otherwise, (i) to take any action and to execute any instrument which Lender may deem necessary or advisable to perfect the security interest granted hereby and (ii) to exercise any and all of its rights and remedies hereunder as the legal, record and beneficial owner of an undivided interest in and to the Pledged Interests and the Collateral, including, without limitation, the right to create, complete, execute, deliver, endorse or file, in the name of Pledgor, any and all instruments, documents, applications, statements and other agreements and writings to use the Patents and/or Trademarks, to grant or issue any exclusive or non-exclusive license under the Patents and/or Trademarks to any third party, and/or to sell, assign, transfer, pledge, encumber or otherwise transfer rights in or dispose of the Patents and/or Trademarks to any third party. The power of attorney granted pursuant to this Section 5 is coupled with an interest and is irrevocable. In the event Lender takes any action, or exercises any of its rights or remedies hereunder pursuant to the foregoing power of attorney, Lender shall provide written notice to Pledgor of such action or exercise concurrently therewith.

(b) Lender May Perform. If Pledgor fails to perform any covenant contained herein, Lender may cause the same to be performed and Lender's actual and reasonably incurred expenses in connection therewith shall be payable by Pledgor pursuant to Section 7(d).

(c) Lender Has No Duty. The powers conferred on Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty on it to exercise any such powers. Except for reasonable care of any Collateral in its possession, Lender shall have no duty with respect to any Collateral other than those duties expressly set forth in the UCC.

6. Event of Default. As used in this Agreement, a "Pledge Event of Default" shall mean the occurrence of any one or more of the following:

(a) Any failure in the observance or performance by Pledgor of any of its obligations hereunder (and not otherwise referred to in this Section 6(a)) within ten (10) days following written notice thereof from Lender or, if such failure is curable but cannot be cured within such ten (10) day period, Pledgor shall have such longer period, not to exceed thirty (30) days in all from and after the giving of such written notice, as may be necessary to cure the same with due diligence, provided that Pledgor commences to cure such failure within such ten (10) day period and proceeds diligently thereafter to cure the same;

(b) Any representation or warranty made herein proves to be false or misleading in any material respect; provided, however, if the event giving rise to such false or misleading representation or warranty is subject to cure, then such false or misleading representation or warranty shall not constitute a Pledge Event of Default hereunder if the same is cured within ten (10) days following written notice thereof from Lender; provided further, however, if such event giving rise to such false or misleading representation or warranty is curable but cannot with due diligence be cured within such ten (10) day period, Pledgor shall have such longer period, not to exceed thirty (30) days in all from and after Lender's giving of

such written notice, as may be necessary to cure the same with due diligence, provided Pledgor commences to cure within such ten (10) day period and proceeds diligently thereafter to cure the same; or

(c) The occurrence of a breach or an event of default under the Loan Documents or the Guaranty.

7. Remedies.

(a) Certain Remedies. If any Pledge Event of Default shall have occurred and be continuing:

(i) Lender shall have the right, without any further action or consent of Pledgor, to immediately direct the PTO to identify Lender or its designee as the record, legal and beneficial owner of an undivided ten percent (10%) interest in and to the Pledged Interests together with Pledgor. Lender or its designee shall thereafter have the right to exercise all rights, privileges, options and powers relating to the Pledged Interests, including the right to receive any and all distributions.

(ii) To the extent that Lender is prevented or otherwise prohibited from becoming the record and legal owner of the Pledged Interests as a result of the filing by a third party of an injunction or other judicial proceeding, Lender shall have the right to the extent allowed by applicable law, without the necessity of becoming the record and legal owner of the Pledged Interests as provided in Section 7(a)(i), to exercise in its sole discretion all rights of ownership with respect to any Pledged Interests.

(iii) Lender shall have all of the rights and remedies of a secured party under the UCC and the PTO, and subject to the provisions of the UCC and PTO, Lender may sell, assign, transfer, pledge, encumber and otherwise dispose of the Collateral or any part thereof. Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten (10) business days' prior notice to Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Subject to the provisions of the UCC and PTO, Lender shall not be obligated to make any sale, assignment, transfer, pledge, encumbrance or other disposal of Collateral regardless of such notice having been given and Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Application of Proceeds. All cash proceeds received by Lender in respect of any sale of all or any part of the Collateral may be held by Lender as additional collateral security for, or then or at any time thereafter be applied in whole or in part by Lender against, all or any part of the Secured Obligations in such order as Lender shall elect. Any surplus of such cash or cash proceeds held by Lender and remaining after payment in full of all the Secured Obligations shall be paid over to Pledgor or to whomsoever may be lawfully entitled to receive such surplus.

(c) Expenses. Upon demand, Pledgor agrees to pay to Lender the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel

and of any experts and agents, which Lender may incur in connection with the exercise or enforcement of any of the rights of Lender hereunder (including a sale of the Collateral), as well as the failure by Pledgor to perform or observe any of the provisions hereof.

(d) Remedies Cumulative. No remedy or right of Lender hereunder, under any of the Loan Documents, the Guaranty or otherwise available under applicable law or in equity, shall be exclusive of any other right or remedy. Each such remedy or right shall be in addition to every other remedy or right now or hereafter existing under applicable law or in equity. No delay in the exercise of, or omission to exercise, any remedy or right after any Event of Default shall impair any such remedy or right or be construed as a waiver of any such Event of Default or an acquiescence thereto, nor shall it affect any subsequent Event of Default of the same or different nature. Every remedy or right may be exercised concurrently or independently and when and as often as may be deemed necessary by Lender.

8. Miscellaneous.

(a) Amendments. No amendment to or waiver of any provision of this Agreement nor consent to any departure by Pledgor herefrom shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

(b) Protection of Collateral. Lender may from time to time take any action which Lender reasonably deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein.

(c) Notices. Any notice, election, communication, request, approval or other document or demand required or permitted under this Agreement shall be in writing and shall be deemed delivered on the earlier of (i) actual receipt, (ii) the next business day after the date when sent by Federal Express or another recognized overnight courier, (iii) the second business day after the date when sent by registered or certified mail, postage prepaid, or (iv) the date mechanically confirmed by answer-back if sent by telecopy to the numbers identified below, each addressed to Pledgor or Lender as the case may be at the locations set forth below. Any party may, from time to time, change the address at which such written notices or elections, communications, requests or other documents or demands are to be mailed by giving the other party written notice of such change, addressed in the manner hereinabove provided.

Lender: Kevin DeMeritt  
6805 Dume Drive  
Malibu, California 90401

Pledgor: Thomas P. Castellano  
710 San Vicente Boulevard  
Santa Monica, California 90401

(d) Section Captions. Section captions used in this Agreement are for convenience of reference only, and shall not affect the construction of this Agreement.

(e) Severability. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(f) Entire Agreement. This Agreement, the Guaranty and the other Loan Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and supersede any prior agreements, written or oral, with respect thereto.

(g) Governing Law. This Agreement shall be governed by, and construed in accordance with, the substantive law of the State of California without regard to the application of choice of law principles, and Pledgor hereby consents to the personal jurisdiction of the state courts of the State of California and of the United States District Court for the Central District of California in any action that may be commenced by Lender to enforce its rights hereunder.

(h) Successors and Assigns. This Agreement shall inure to the benefit of Lender, its successors, assigns and representatives and shall bind Pledgor and its respective successors, assigns and representatives; provided, however, except as expressly permitted in the Loan Documents or the Guaranty, as applicable, neither Lender nor Pledgor shall assign any of their respective rights, privileges or obligations under this Agreement without the prior written consent of the non-assigning party and assignment without such consent shall be deemed void and of no affect.

(i) Counterparts; Reproductions. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same document. A photographic or other reproduction of this Agreement or of any financing statement shall have the same force and effect as the original for all purposes.

(j) Joint and Several Liability. If there is more than one Pledgor under this Agreement, all obligations and liabilities of each Pledgor under this Agreement shall be joint and several as to each Pledgor.

(k) Irrevocable Authorization and Instruction to Borrower. Pledgor authorizes and instructs the Borrower to comply with any instruction received by it from Lender concerning the Collateral in accordance with the terms of this Agreement.

(l) Including Means Without Limitation. The use in this Agreement of the term "including", and related terms such as "include", shall in all cases mean "including without limitation".

9. Inducement. Pledgor has executed and delivered this Agreement as an accommodation and in order to induce Lender to make the Loan to Borrower. Accordingly, to the fullest extent permitted by law, Pledgor agrees that it shall not assert or take advantage of, and hereby waives, all the following:

(a) Any right to require Lender to (i) proceed against the Borrower or any other person or (ii) to proceed against or exhaust any other security held by Lender at any time or (iii) to pursue any other remedy in Lender's power before exercising any right or remedy under this Agreement;

(b) Any defense that may arise by reason of:

(i) Any of the matters set forth in Section 2(d) hereof; or

(ii) The release, suspension, discharge or impairment of any of Lender's rights against the Borrower or any other party against whom Lender might assert a claim, whether such release, suspension, discharge or impairment is explicit, tacit or inadvertent; or

(iii) Lender's failure to pursue any other remedies available to Lender that would reduce the Secured Obligations; or

(iv) The incapacity, lack of authority, death or disability of the Borrower or any other person or persons; or

(v) The failure of Lender to file or enforce a claim against the estate (in either administration, bankruptcy or any other proceedings) of Borrower or any other person or persons;

(c) Subject to any demand, protest or notice requirements set forth in this Agreement, demand, protest and notice of any kind, including, without limitation, the following notices:

(i) Notice of the evidence, creation or incurring of any new or additional indebtedness or obligation under the Loan Documents or the Guaranty; or

(ii) Notice of any action or non-action on the part of Borrower or Lender in connection with any of the Secured Obligations or any of the collateral securing the Secured Obligations; or

(iii) Notice of payment or non-payment by Borrower of the Secured Obligations;

(d) Any right to assert against Lender any defense arising by reason of any claim or defense based upon an election of remedies by Lender;

(e) Any rights arising because of Pledgor's payment or satisfaction of the Secured Obligations (including, without limitation, any right Pledgor would otherwise have under Sections 2847 and 2848 of the California Civil Code) against (i) the Borrower, by way of subrogation to the rights of Lender or otherwise or (ii) any other guarantor or any other party obligated to pay any of the indebtedness secured hereby, by way of contribution or reimbursement or otherwise;

(f) Any duty on the part of Lender to disclose to Pledgor any default under the Loan Documents;

(g) Any duty on the part of Lender to disclose to Pledgor any facts Lender may now know or may hereafter know about the Borrower regardless of whether Lender (i) has reason to believe that any such facts materially increase the risk beyond the risk which Pledgor intends to assume by executing this Agreement, (ii) has reason to believe that these facts are unknown to Pledgor or (iii) has a reasonable opportunity to communicate such facts to Pledgor. Pledgor shall be fully responsible for being and keeping informed of the financial condition of the Borrower or any successor in interest of the Borrower and of all circumstances bearing on the risk of non-payment of any of the Secured Obligations; or

(h) Any right to object to the release of any portions of the collateral (including the Collateral) from the lien of this Agreement or the Loan Documents notwithstanding the fact that such releases may be made without Lender's having received any or adequate consideration therefor.

Lender may, without demand or notice to or consent of Pledgor (i) release any party now or hereafter liable for the performance of the Secured Obligations, (ii) extend the time for the performance of the Secured Obligations, (iii) accept additional security for the Secured Obligations, and (iv) alter, substitute or release any property securing such payment or performance.

Before executing this Agreement, Pledgor has made such independent legal and factual inquiries and investigations as Pledgor deemed necessary or desirable with respect to the ability of the Borrower to honor all of the Secured Obligations. Pledgor has relied solely on such independent inquiries and investigations in entering into this Agreement.

The provisions of this Section 9 shall be in addition to, and shall not in any manner limit or alter, the provisions of Section 2(d) and (e).

[SIGNATURES ON FOLLOWING PAGE]

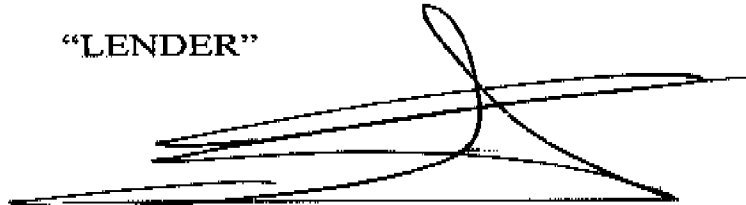
INNESS WHEREOF, the undersigned have duly executed and delivered this  
of the day and year first above written.

“PLEDGOR”

A handwritten signature in black ink, appearing to read 'TP Castellano', written over a horizontal line.

THOMAS P. CASTELLANO

“LENDER”

A handwritten signature in black ink, appearing to read 'Kevin Demeritt', written over a horizontal line.

KEVIN DEMERITT

STATE OF CALIFORNIA )  
COUNTY OF Los Angeles ) ss.

On October 1st 2004, before me, Greenich T. Chase Notary Public,  
personally appeared Thomas P. Castellano personally

~~known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(s) whose  
name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~  
executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s)  
on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed  
the instrument.

Witness my hand and official seal.

Greenich T. Chase  
Notary Public

[SEAL]



STATE OF CALIFORNIA )  
COUNTY OF Los Angeles ) ss.

On October 2004, before me, Greenich T. Chase Notary Public,  
personally appeared Kevin Demeritt personally

~~known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(s) whose  
name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~  
executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s)  
on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed  
the instrument.

Witness my hand and official seal.

Greenich T. Chase  
Notary Public

[SEAL]



**EXHIBIT "A"****PATENTS AND PATENT APPLICATIONS**

<u>Patent #</u>	<u>Title</u>	<u>Issue Date</u>
US 6,613,011 B2	Gas-Pressured Engine with valve	Sep. 2, 2003
US D483,116 S	Needle-less Injector	Dec. 2, 2003
US 6,673,034 B2	Gas Powered sources for a needle-Less injector and needle-less Injectors incorporating the same	Jan. 6, 2004
US 5,730,723	Gas Pressured Needle-less injection Device and method	Mar. 24, 1998
US 5,851,198	Gas Pressured needle-less Injection Device and method	Dec. 22, 1998
US 6,063,053	Gas Pressured needle-less Injection Device and Method	May 16, 2000
US 6,080,130	Gas Power Source for a Needle-less Injector	Jun. 27, 2000
US 6,156,008	Device for Avoiding Subdermal Hematomas from an Injection	Dec. 5, 2000
US 6,302,160 B2	Apparatus and Method for Filling An Ampule of a Needle-less Injector	Oct. 16, 2001
US 6,474,369 B2	Apparatus and Method for Delivering A Lyophilized active with a Needle-less Injector	Nov. 5, 2002
US 6,500,239 B2	System and Method for Removing Dissolved Gas from a Solution	Dec. 31, 2002
US 6,613,010 B2	Modular Gas-Pressured Needle-less Injector	Sep. 2 2003
<u>Patent Application #</u>	<u>Title</u>	<u>Filing Date</u>
US2004/0035491	Method and Apparatus for Needle-Less Injection with a Degassed Fluid	Feb. 26, 2004