

Form PTO-1594

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼ ▼ ▼

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Transact Technologies Incorporated

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation-State DE
- Other _____

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

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other Doc. 10254630A had typographical error in the execution date on cover sheet

Execution Date: August 6, 2003

2. Name and address of receiving party(ies)

Name: Banknorth, N.A.

Internal

Address: _____

Street Address: 1441 Main Street

City: Springfield State: MA Zip: 01103

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other national bank

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

78/273,038

78/229,041

B. Trademark Registration No.(s)

see attached Schedule B

Additional number(s) attached Yes No

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

Name: Peter L. Costas

Internal Address: Pepe & Hazard LLP

Street Address: 225 Asylum St.

City: Hartford State: CT Zip: 06103

6. Total number of applications and registrations involved:

12

7. Total fee (37 CFR 3.41).....\$ 315.00

Enclosed
 check submitted with original cover sheet

Authorized to be charged to deposit account if additional fee required

8. Deposit account number:

03-3355

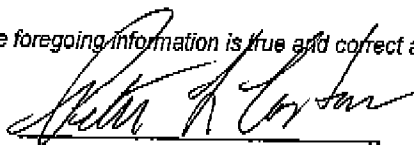
(Attach duplicate copy of this page if paying by deposit account)

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.

Peter L. Costas
Name of Person Signing



Signature

04/06/2004

Date

Total number of pages including cover sheet, attachments, and document: 30

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

SCHEDULE B TRADEMARKS**Pending Trademark Applications at the U.S. Patent and Trademark Office**

Mark	Serial No.
FLEXZONE	78/273038
ITHERM	78/229041

Registered Marks at the U.S. Patent and Trademark Office

Mark	Reg No.
POWER POCKET	2,491,506
INSTALOAD	2,491,493
MADE TO ORDER. BUILT TO LAST.	2,126,727
TRANSACT	2,188,226
BANKJET	2,707,596
ITHACA	1,990,828
50PLUS	1,996,186
MAGNETEC	2,069,636
POSJET	2,448,381
PCOS	1,355,079

FOREIGN PATENTS ON ATTACHED SCHEDULE

09-11-2003



8-16-03

AUG 18 2003

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

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FORM COVER SHEET

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

TRADEMARKS ONLY

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): Transact Technologies Incorporated

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State DE, Other

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

2. Name and address of receiving party(ies) Name: Banknorth, N.A.

Internal Address: Street Address: 1441 Main Street City: Springfield State: MA Zip: 01103

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State

Other National Bank

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date: August 6, 2503

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 78/273,038 78/229,041

B. Trademark Registration No.(s) See Attached Schedule B

Additional number(s) attached Yes No

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

Name: Peter L. Costas

Internal Address: PEPE & HAZARD LLP

Street Address: 225 Asylum Street

City: Hartford State: CT Zip: 06103

6. Total number of applications and registrations involved: 12

7. Total fee (37 CFR 3.41): \$ 315.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number: 03-3355

(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.

Peter L. Costas Name of Person Signing

Signature

Aug 14, 2003 Date

Total number of pages including cover sheet, attachments, and document: 26

09/10/2003 6TON11 00000112 78273038

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

01 FC:8521 02 FC:8522

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TRADEMARK REEL: 002828 FRAME: 0511

SCHEDULE B TRADEMARKS**Pending Trademark Applications at the U.S. Patent and Trademark Office**

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MAGNETEC	2,069,636
POSJET	2,448,381
PCOS	1,355,079

FOREIGN PATENTS ON ATTACHED SCHEDULE

INTELLECTUAL PROPERTY SECURITY AGREEMENT

Dated as of August 6, 2003

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement"), is made as of August 6, 2003, by and between **TRANSACT TECHNOLOGIES INCORPORATED**, a Delaware corporation (the "Pledgor") and Banknorth, N.A., a national bank (the "Secured Creditor").

RECITALS

A. Pursuant to that certain Revolving Credit, Equipment Loan and Security Agreement dated as of the date hereof (as amended or otherwise modified from time to time in accordance with the terms thereof and in effect, the "Credit Agreement") by and between the Pledgor and the Secured Creditor, the Secured Creditor agreed to make Loans to the Pledgor. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

B. Pledgor is the owner or licensee, as applicable, of the Pledged Collateral (as defined herein).

C. It is a condition precedent to the Secured Creditor's obligations to make the Loans that Pledgor shall execute and deliver the applicable Loan Documents, including this Agreement.

D. This Agreement is given by Pledgor in favor of the Secured Creditor to secure the payment and performance of all of the Secured Obligations (as defined in Section 2).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor and the Secured Creditor hereby agree as follows:

Section 1. Pledge. Pledgor hereby pledges and grants to the Secured Creditor a continuing first priority security interest in all of Pledgor's right, title and interest, whether now existing or hereafter acquired, in and to the following property (collectively, the "Pledged Collateral") to secure all of the Secured Obligations:

(a) Patents issued or assigned to and all patent applications made by Pledgor and all exclusive licenses to Pledgor from third parties or rights to use patents owned by such third parties, unless such exclusive licenses by their terms prohibit the assignment thereof, including, without limitation, the patents, patent applications and exclusive licenses listed on Schedule A hereto, along with any and all right of Pledgor in and to (1) inventions and improvements described and claimed therein, (2) reissues, divisions, continuations, extensions and continuations-in-part thereof, (3) income, royalties, damages, claims and payments now and

hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (4) rights to sue for past, present and future infringements thereof, and (5) any other rights corresponding thereto throughout the world (collectively, "Patents");

(b) Trademarks (including service marks), federal and state trademark registrations and applications made by Pledgor (including Federal Intent To Use Applications), common law trademarks and trade names owned by or assigned to Pledgor, all registrations and applications for the foregoing and all exclusive licenses from third parties of the right to use trademarks of such third parties, unless such exclusive licenses by their terms prohibit the assignment thereof, including, without limitation, the registrations, applications, unregistered trademarks, service marks and exclusive licenses listed on Schedule B hereto, along with any and all rights of Pledgor in and to (1) renewals thereof, (2) income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages, claims and payments for past or future infringements thereof, (3) rights to sue for past, present and future infringements thereof, and (4) trademarks, trademark registrations, and trade name applications for any thereof and any other rights corresponding thereto throughout the world (collectively, "Trademarks");

(c) Copyrights, whether statutory or common law, owned by or assigned to Pledgor, and all exclusive licenses to Pledgor from third parties to use copyrights owned by such third parties, unless such exclusive licenses by their terms prohibit the assignment thereof, including, without limitation, the registrations, applications and exclusive licenses listed on Schedule C hereto, along with any and all rights of Pledgor in and to (1) renewals and extensions thereof, (2) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (3) rights to sue for past, present and future infringements thereof, and (4) copyrights and any other rights corresponding thereto throughout the world (collectively, "Copyrights");

(d) The entire goodwill of Pledgor's business and other general intangibles (including know-how, trade secrets, customer lists, proprietary information, inventions, methods, procedures and formulae) connected with the use of and symbolized by Trademarks of Pledgor; and

(e) All Proceeds (as defined under the Uniform Commercial Code as in effect in any relevant jurisdiction (the "UCC") or other relevant law) of any of the foregoing, and in any event including, without limitation, any and all (1) proceeds of any insurance, indemnity, warranty or guaranty payable to the Secured Creditor or to Pledgor from time to time with respect to any of the Pledged Collateral, (2) payments (in any form whatsoever) made or due and payable to Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Pledged Collateral by any Governmental Authority (or any person acting on behalf of a Governmental Authority), (3) instruments representing amounts receivable in respect of any Patents, Trademarks or

Copyrights, (4) products of the Pledged Collateral and (5) other amounts from time to time paid or payable under or in connection with any of the Pledged Collateral.

Section 2. Secured Obligations. The security interest hereby granted shall secure the due and punctual payment and performance of the following liabilities and obligations of the Debtor (herein called the "Secured Obligations");

- (1) Principal of and premium, if any, and interest on the Loans; and
- (2) Any and all other obligations of the Pledgor to the Secured Creditor under the Credit Agreement or the Loan Documents or any other agreement or instrument relating thereto, all as amended from time to time.

Section 3. No Release. Nothing set forth in this Agreement shall relieve Pledgor from the performance of any term, covenant, condition or agreement on Pledgor's part to be performed or observed under or in respect of any of the Pledged Collateral or from any liability to any Person under or in respect of any of the Pledged Collateral or impose any obligation on the Secured Creditor to perform or observe any such term, covenant, condition or agreement on Pledgor's part to be so performed or observed or impose any liability on the Secured Creditor for any act or omission on the part of Pledgor relating thereto or for any breach of any representation or warranty on the part of Pledgor contained in this Agreement or any other Loan Document or under or in respect of the Pledged Collateral or made in connection herewith or therewith. The obligations of Pledgor contained in this Section 3 shall survive the termination of this Agreement and the discharge of Pledgor's other obligations hereunder and under the other Loan Documents.

Section 4. Supplements; Further Assurances. Pledgor (1) agrees that it will join with the Secured Creditor in executing and, at its own expense, will file and refile, or permit the Secured Creditor to file and refile, such financing statements, continuation statements and other documents (including, without limitation, this Agreement and exclusive licenses to use software and other property protected by copyright), in such offices (including, without limitation, the United States Patent and Trademark Office, appropriate state trademark offices and the United States Copyright Office), as the Secured Creditor may reasonably deem necessary or appropriate, wherever required or permitted by law in order to perfect and preserve the rights and interests granted to the Secured Creditor hereunder, and (2) hereby authorizes the Secured Creditor to file financing statements and amendments, relative to all or any part thereof, without the signature of Pledgor where permitted by law and agrees to do such further acts and things, and to execute and deliver to the Secured Creditor such additional assignments, agreements, powers and instruments, as the Secured Creditor may reasonably require to carry into effect the purposes of this Agreement or better to assure and confirm unto the Secured Creditor its respective rights, powers and remedies hereunder. Pledgor shall, upon the reasonable request of the Secured Creditor, and hereby authorizes the Secured Creditor to, take any and all such actions as may reasonably be deemed advisable by the Secured Creditor to perfect and preserve the rights and interests granted to the Secured Creditor with respect to the Pledged Collateral wherever located. All of the foregoing shall be at the sole cost and expense of Pledgor.

Section 5. Representations and Warranties of Pledgor. Pledgor hereby represents and warrants to the Secured Creditor as follows:

(a) Pledgor is, and, as to Pledged Collateral acquired by it from time to time after the date hereof, Pledgor will be, the sole and exclusive owner or, as applicable, licensee of all Pledged Collateral. The pledge and security interest created by this Agreement shall not at any time be subject to any prior lien, pledge, security interest, encumbrance, license, assignment, collateral assignment or charge of any kind, including, without limitation, any filing or agreement to file a financing statement as debtor under the UCC or any similar statute or any subordination arrangement in favor of any party other than Pledgor (collectively, "Liens"), except for those Liens set forth on Schedule D hereto (collectively, "Prior Liens") and except Permitted Liens. Pledgor further represents and warrants to the Secured Creditor that Schedules A, B and C hereto, respectively, are true, correct and complete lists as of the date hereof of all Patents, Trademarks and registered Copyrights owned by Pledgor and that Schedules D, E and F hereto are true and correct with respect to the matters set forth therein as of the date hereof.

(b) Pledgor has full corporate power, authority and legal right to pledge and grant a security interest in the Pledged Collateral in accordance with the terms of this Agreement and this Agreement constitutes the legal, valid and binding obligation of Pledgor, enforceable against Pledgor in accordance with its terms.

(c) Except as set forth on Schedule E hereto and except for filings with the Patent and Trademark Office, under the UCC, under applicable foreign law and any action which must be taken by the Secured Creditor no authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court (other than in connection with the exercise of judicial remedies), governmental agency or regulatory authority, or with any securities exchange or any other Person is required in connection with (1) the pledge by Pledgor of the Pledged Collateral pursuant to this Agreement, or the execution, delivery or performance by Pledgor of this Agreement, (2) the grant of a security interest (including the priority thereof when the appropriate filings have been made and accepted) in, the Pledged Collateral by Pledgor in the manner and for the purpose contemplated by this Agreement or (3) the exercise of the rights and remedies of the Secured Creditor created hereby.

(d) Pledgor owns or has rights to use all the Pledged Collateral and all rights with respect to any of the foregoing used in, necessary for or material to Pledgor's business as currently conducted. To Pledgor's best knowledge except as set forth on Schedule F, the use of such Pledged Collateral and all rights with respect to the foregoing by Pledgor does not infringe on the rights of any Person and, except as set forth on Schedule F attached hereto, no material claim has been made and remains outstanding that Pledgor's use of the Pledged Collateral does or may violate the rights of any third person.

(e) Upon filings and the acceptance thereof in the appropriate offices under the UCC and in the United States Patent and Trademark Office and the United States Copyright Office,

this Agreement will create a valid and duly perfected first priority lien and security interest in the United States in the Pledged Collateral on such property and to the extent that a lien can be perfected by such filings, subject to no Liens other than Prior Liens and Permitted Liens. This Agreement has been duly and validly executed and delivered by Pledgor, constitutes the legal, valid and binding obligation of Pledgor and is enforceable against Pledgor in accordance with its terms.

Section 6. Covenants. (a) On a continuing basis, Pledgor will, at the expense of Pledgor, subject to any prior licenses, Liens and restrictions make, execute, acknowledge and deliver, and file and record in the proper filing and recording offices, all such instruments or documents, including, without limitation, appropriate financing and continuation statements, exclusive licenses and collateral agreements, and take all such action (limited, as aforesaid, if applicable) as may reasonably be deemed necessary or appropriate by the Secured Creditor (1) to carry out the intent and purposes of this Agreement, (2) to assure and confirm to the Secured Creditor the grant or perfection of a security interest in the Pledged Collateral for the benefit of the Secured Creditor, and (3) during the continuation of an Event of Default, to enable the Secured Creditor to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Pledgor:

(A) will not enter into any agreement that would impair or conflict with Pledgor's obligations hereunder;

(B) will, from time to time, upon the Secured Creditor's request, cause its books and records to be marked with such legends or segregated in such manner as the Secured Creditor may specify and take or cause to be taken such other action and adopt such procedures as the Secured Creditor may specify to give notice or to perfect the security interest in the Pledged Collateral intended to be conveyed hereby;

(C) will, promptly following its becoming aware thereof, notify the Secured Creditor of

(i) any materially adverse determination in any proceeding in the United States Patent and Trademark Office or United States Copyright Office with respect to any Patent, Trademark or Copyright material to Pledgor's business; or

(ii) the institution of any proceeding or any materially adverse determination in any federal, state, local or foreign court or administrative bodies regarding Pledgor's claim of ownership in or right to use any of the Pledged Collateral, its right to register the Pledged Collateral, or its right to keep and maintain such registration in full force and effect;

(D) subject to the provision of Section 5.11 of the Credit Agreement, will properly maintain and protect the Pledged Collateral to the extent necessary or appropriate for the conduct of Pledgor's business (as presently conducted) and consistent with Pledgor's current practice in accordance with applicable statutory requirements;

(E) will not grant or permit to exist any Lien upon or with respect to the Pledged Collateral or any portion thereof except Liens in favor of the Secured Creditor or as permitted under this Agreement and Liens permitted by Section 7 hereof or the Loan Documents, and will not execute any security agreement or financing statement covering any of the Pledged Collateral except in the name of the Secured Creditor or as permitted under this Agreement;

(F) except in accordance with prudent business practices, will not permit to lapse or become abandoned, settle or compromise any pending or future litigation or administrative proceeding with respect to the Pledged Collateral without the consent of the Secured Creditor, or contract for sale or otherwise dispose of the Pledged Collateral or any portion thereof except pursuant to Section 7 hereof;

(G) upon Pledgor obtaining knowledge thereof, will promptly notify the Secured Creditor in writing of any event which may reasonably be expected to materially affect the value or utility of the Pledged Collateral or any portion thereof, the ability of Pledgor or the Secured Creditor to dispose of the Pledged Collateral or any portion thereof or the rights and remedies of the Secured Creditor in relation thereto including, without limitation, a levy or threat of levy or any legal process against the Pledged Collateral or any portion thereof;

(H) until the Secured Creditor exercises its rights to make collection, will diligently keep adequate records respecting the Pledged Collateral;

(I) subject to the first sentence of this Section 6(a), hereby authorizes the Secured Creditor, in its sole discretion, to file one or more financing or continuation statements and amendments thereto, relative to all or any part of the Pledged Collateral without the signature of Pledgor where permitted by law;

(J) will furnish to the Secured Creditor from time to time statements and amended schedules further identifying and describing the Pledged Collateral and such other materials evidencing or reports pertaining to the Pledged Collateral as the Secured Creditor may from time to time reasonably request, all in reasonable detail;

(K) will pay when due any and all taxes, levies, maintenance fees, charges, assessments, licenses fees and similar taxes or impositions payable in respect of the Pledged Collateral, except as otherwise provided in the Credit Agreement;

(L) will comply in all material respects with all laws, rules and regulations applicable to the Pledged Collateral; and

(M) will deposit with the Secured Creditor or in escrow with a third party source code escrow agent, on terms acceptable to Secured Creditor, as the Secured Creditor shall reasonably request, subject to strict confidentiality restrictions, copies of all source code of all software owned by Pledgor which is material to the operation of Pledgor's business and such source code copy shall be of the most current version of all software and shall include all modifications and

enhancements thereto and shall be annotated so as to be easily understood by a software technician of reasonable proficiency.

(b) If, before the Secured Obligations shall have been paid and satisfied in full, Pledgor shall, (1) obtain any rights to any additional Pledged Collateral or (2) become entitled to the benefit of any additional Pledged Collateral or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Patent, or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and any item enumerated in clause 6(b)(1) or clause 6(b)(2) with respect to Pledgor shall automatically constitute Pledged Collateral if such would have constituted Pledged Collateral at the time of execution of this Agreement, and be subject to the assignment, Lien and security interest created by this Agreement without further action by any party. Pledgor shall promptly provide to the Secured Creditor written notice of any of the foregoing. Pledgor shall, at least once in each calendar quarter, provide written notice to the Secured Creditor of all applications for Patents and all applications for registration of Trademarks or Copyrights made during the preceding calendar quarter. Pledgor agrees, promptly following the written request by the Secured Creditor, to confirm the attachment of the lien and security interest created by this Agreement to any rights described in clause 6(b)(1) or clause 6(b)(2) above if such would have constituted Pledged Collateral at the time of execution of this Agreement by execution of an instrument in form acceptable to the Secured Creditor.

(c) Pledgor authorizes the Secured Creditor to modify this Agreement by amending Schedules A, B and/or C annexed hereto to include any future Pledged Collateral of Pledgor, including, without limitations any of the items listed in Section 6(b).

(d) Pledgor shall file and prosecute all applications for Patents, Trademarks or Copyrights now pending and shall file and prosecute all applications for Patents, Trademarks or Copyrights in the future that the Pledgor determines in its best business judgment would be useful or beneficial to the businesses of Pledgor to which any such applications pertain, and to do all acts that are reasonably necessary to preserve and maintain all rights in the Pledged Collateral, subject to the provisions of Section 5.11 of the Credit Agreement. Any and all costs and expenses incurred in connection with any such actions shall be borne by Pledgor. Except in accordance with prudent business practices, Pledgor shall not abandon any right to file a Patent, Trademark or Copyright application or any pending Patent, Trademark or Copyright application or any Patent, Trademark or Copyright, except as provided in Section 5.11 of the Credit Agreement.

Section 7. Transfers and Other Liens. Pledgor will not (a) sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral except for licensing in the ordinary course of business and such other transactions as may be permitted under the Credit Agreement or (b) create or permit to exist any Lien upon or with respect to any of the Pledged Collateral, except for Liens for taxes, assessments or government charges or claims the payment of which is not at the time required and inchoate Liens imposed by law (each of which shall, except to the extent otherwise required by law, be subordinate to the lien created by this

Agreement), the Prior Liens, the Permitted Liens and the lien granted to the Secured Creditor under this Agreement.

Section 8. Remedies upon Default.

(a) If any Event of Default shall have occurred and be continuing, the Secured Creditor may to the full extent permitted by law, (1) exercise any and all rights as beneficial and legal owner of the Pledged Collateral, including, without limitation, perfecting assignment of any and all consensual rights and powers with respect to the Pledged Collateral and (2) sell or assign or grant a license to use, or cause to be sold or assigned or a license granted to use any or all of the Pledged Collateral (in the case of Trademarks, along with the goodwill associated therewith) or any part thereof, in each case, free of all rights and claims of Pledgor therein and thereto. In accordance with such rights, the Secured Creditor shall have the (A) right to cause any or all of the Pledged Collateral to be transferred of record into the name of the Secured Creditor or its nominee and (B) the right to impose (i) such limitations and restrictions on the sale or assignment of the Pledged Collateral as the Secured Creditor may deem to be necessary or appropriate to comply with any law, rule or regulation (federal, state or local) having applicability to the sale or assignment, and (ii) any necessary or appropriate requirements for any required governmental approvals or consents.

(b) Except as provided in this Section 8 and other express notice provisions of the Loan Documents, Pledgor hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Secured Creditor of any of their rights and remedies hereunder.

(c) Pledgor agrees that, to the extent notice of sale shall be required by law, ten (10) days' notice from the Secured Creditor of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. In addition to the rights and remedies provided in this Agreement and in the other Loan Documents, the Secured Creditor shall have all the rights and remedies of a secured creditor under the UCC.

(d) Except as otherwise provided herein, Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with the Secured Creditor's taking possession or the Secured Creditor's disposition of any of the Pledged Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which Pledgor would otherwise have under law, and Pledgor hereby further waives to the extent permitted by applicable law: (1) all reasonable damages occasioned by such taking of possession; (2) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Secured Creditor's rights hereunder; and (3) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. Any sale of, or the grant of options to purchase, or any other realization upon, any Pledged Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against Pledgor and against any and all Persons claiming or attempting to

claim the Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through or under Pledgor.

Section 9. Application of Proceeds. The proceeds of any Pledged Collateral obtained pursuant to the exercise of any remedy set forth in Section 8 shall be applied as provided in the Credit Agreement.

Section 10. Expenses. Pledgor will pay on demand all reasonable expenses of the Secured Creditor and the Secured Creditor in connection with the preparation, waiver or amendment of this Agreement or other Loan Documents executed in connection therewith, or the administration, default or collection of the Revolving Credit Loans or administration, default, collection in connection with the Secured Creditor's exercise, preservation or enforcement of any of its rights, remedies or options thereunder, including, without limitation, reasonable fees and disbursements of outside legal counsel or accounting, consulting, brokerage or other similar professional fees or expenses, and any reasonable fees or expenses associated with any travel or other costs relating to any appraisals or examinations conducted in connection with the Secured Obligations or any Collateral therefor, and the amount of all such expenses shall, until paid, bear interest at the rate applicable to principal hereunder (including any default rate).

Section 11. No Waiver; Cumulative Remedies. (a) No failure on the part of the Secured Creditor to exercise, no course of dealing with respect to, and no delay on the part of the Secured Creditor in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

(b) In the event the Secured Creditor shall have instituted any proceeding to enforce any right, power or remedy under this instrument by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Secured Creditor, then and in every such case, Pledgor and the Secured Creditor shall, to the extent permitted by applicable law, be restored to their respective former positions and rights hereunder with respect to the Pledged Collateral, and all rights, remedies and powers of the Secured Creditor shall continue as if no such proceeding had been instituted.

Section 12. The Secured Creditor May Perform; the Secured Creditor Appointed Attorney-in-Fact. If Pledgor shall fail to do any act or thing that it has covenanted to do hereunder or any warranty on the part of Pledgor contained herein shall be breached, the Secured Creditor may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose. Any and all amounts so expended by the Secured Creditor shall be paid by Pledgor promptly upon demand therefor, with interest at the highest rate then in effect under the Credit Agreement during the period from and including the date on which such funds were so expended to the date of repayment. Pledgor's obligations under this Section 12 shall survive the termination of this Agreement and the discharge of Pledgor's

other obligations hereunder. Pledgor hereby appoints the Secured Creditor its attorney-in-fact with an interest, with full authority in the place and stead of Pledgor and in the name of Pledgor, or otherwise, from time to time in the Secured Creditor's reasonable discretion to take any action and to execute any instruments consistent with the terms of this Agreement and the other Loan Documents which the Secured Creditor may reasonably deem necessary or advisable to accomplish the purposes of this Agreement. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term of this Agreement. Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

Section 13. Indemnity.

(a) Indemnity. Pledgor agrees to indemnify, reimburse and hold the Secured Creditor and its successors, assigns, employees, agents and servants (collectively, "Indemnitees") harmless from and against any and all liabilities, obligations, damages, injuries, penalties, claims, demands, actions, suits, judgments and any and all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) of whatsoever kind and nature imposed on, asserted against or incurred by any of the Indemnitees in any way relating to or arising out of this Agreement or the other Loan Documents or in any other way connected with the administration of the transactions contemplated hereby or the enforcement of any of the terms hereof, or the preservation of any rights hereunder, or in any way relating to or arising out of the manufacture, processing, ownership, ordering, purchase, delivery, control, acceptance, lease, financing, possession, operation, condition, sale, return or other disposition, or use of the Pledged Collateral (including, without limitation, latent or other defects, whether or not discoverable, any claim for patent, trademark, trade secret or copyright infringement), the violation of the laws of any country, state or other governmental body or unit, any tort (including, without limitation, claims arising or imposed under the doctrine of strict liability, or for or on account of injury to or the death of any Person (including any Indemnitee)), or property damage, or contract claim; provided that Pledgor shall have no obligation to an Indemnitee hereunder to the extent it is finally judicially determined that such indemnified liabilities arise from the gross negligence or willful misconduct of that Indemnitee.

(c) Survival. The obligations of Pledgor contained in this Section 13 shall survive the termination of this Agreement and the discharge of Pledgor's other obligations hereunder and under the other Loan Documents.

(d) Reimbursement. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Secured Obligations secured by the Pledged Collateral.

Section 14. Litigation. (a) Pledgor shall have the right to commence and prosecute in its own name, as real party in interest, for its own benefit and at its own expense, such applications for protection of Pledged Collateral, suits, proceedings or other actions for infringement, counterfeiting, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Pledged Collateral. Pledgor shall promptly notify the Secured

Creditor in writing as to the commencement and prosecution of any such actions, or threat thereof relating to the Pledged Collateral and shall provide to the Secured Creditor such information with respect thereto as may be reasonably requested. The Secured Creditor shall provide all reasonable and necessary cooperation in connection with any such suit, proceeding or action, including, without limitation, joining as a necessary party.

(b) Upon the occurrence and during the continuation of an Event of Default, the Secured Creditor shall have the right but shall in no way be obligated to file applications for protection of the Pledged Collateral and/or bring suit in the name of Pledgor or the Secured Creditor or to enforce the Pledged Collateral and any license thereunder; in the event of such suit, Pledgor shall, at the request of the Secured Creditor, do any and all lawful acts and execute any and all documents required by the Secured Creditor in aid of such enforcement and Pledgor shall promptly, upon demand, reimburse and indemnify the Secured Creditor, as the case may be, for all reasonable costs and expenses incurred by the Secured Creditor in the exercise of its rights under this Section 14. In the event that the Secured Creditor shall elect not to bring suit to enforce the Pledged Collateral, Pledgor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement, counterfeiting or other diminution in value of any of the Pledged Collateral by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any person so infringing necessary to prevent such infringement as is in the reasonable business judgment of Pledgor necessary to protect the Pledged Collateral and the Secured Creditor shall provide, at Pledgor's expense, all necessary and reasonable assistance to Pledgor to maintain such action.

Section 15. Modifications in Writing. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement, nor consent to any departure by Pledgor therefrom, shall be effective unless the same shall be in writing and signed by the Secured Creditor. Any amendment, modification or supplement of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by Pledgor from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other Loan Document, no notice to or demand on Pledgor in any case shall entitle Pledgor to any other or further notice or demand in similar or other circumstances.

Section 16. Termination; Release. When all the Secured Obligations (other than Secured Obligations in the nature of continuing indemnities or expense reimbursement obligations not yet due and payable) have been paid in full and have been terminated and the any commitments of the Secured Creditor to make any Loan under the Credit Agreement have expired, this Agreement shall terminate. Upon termination of this Agreement or any release of Pledged Collateral in accordance with the provisions of the Credit Agreement, the Secured Creditor shall, upon the request and at the reasonable expense of Pledgor, forthwith assign, transfer and deliver to Pledgor against receipt and without recourse to or warranty by the Secured Creditor, such of the Pledged Collateral to be released (in the case of a release) as may be in the possession of the Secured Creditor and as shall not have been sold or otherwise applied pursuant to the terms hereof, on the order of and at the reasonable expense of Pledgor, and proper instruments (including UCC

termination statements on Form UCC-3 and documents suitable for recordation in the United States Patent and Trademark Office, the United States Copyright Office or similar domestic or foreign authority) acknowledging the termination of this Agreement or the release of such Pledged Collateral, as the case may be.

Section 17. Reinstatement. Notwithstanding the provisions of Section 16, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Secured Creditor in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by the Secured Creditor upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Pledgor or upon the appointment of any intervenor or conservator of, or trustee or similar official for, Pledgor or any substantial part of its properties, or otherwise, all as though such payments had not been made.

Section 18. Credit Agreement. Notwithstanding any other provision of this Agreement, the rights of the parties hereunder are subject to the provisions of the Credit Agreement, including the provisions thereof pertaining to the rights and responsibilities of the Secured Creditor.

Section 19. Notices. Unless otherwise provided herein or in the Credit Agreement (with respect to the Secured Creditor), any notice or other communication herein required or permitted to be given shall be in writing shall be delivered and shall be effective as provided in the Credit Agreement.

Section 20. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (a) remain in full force and effect until the payment in full of all Secured Obligations, (b) be binding upon Pledgor, its successors and assigns, and (c) inure, together with the rights and remedies of the Secured Creditor hereunder, to the benefit of the Secured Creditor and its successors, transferees and assigns; no other Persons (including, without limitation, any other creditor of Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing, the Secured Creditor may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Secured Creditor, herein or otherwise, subject however, to the provisions of the Credit Agreement.

SECTION 21. GOVERNING LAW; TERMS. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CONNECTICUT, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER IN RESPECT OF ANY PARTICULAR INTELLECTUAL PROPERTY ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF CONNECTICUT.

SECTION 22. CONSENT TO JURISDICTION AND SERVICE OF PROCESS. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST PLEDGOR WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF CONNECTICUT AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE TRIAL BY JURY, AND PLEDGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS. IN THE EVENT THAT PLEDGOR DESIGNATES AND APPOINTS ANY PERSON AS ITS AGENT AND SUCH PERSON IRREVOCABLY AGREES IN WRITING TO SO SERVE AS PLEDGOR'S AGENT TO RECEIVE ON PLEDGOR'S BEHALF, SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDINGS IN ANY SUCH COURT, SUCH SERVICE IS HEREBY ACKNOWLEDGED BY PLEDGOR TO BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. A COPY OF SUCH PROCESS SO SERVED SHALL BE MAILED BY REGISTERED MAIL TO PLEDGOR AT ITS ADDRESS PROVIDED FOR IN SECTION 19 HEREOF. IF ANY AGENT APPOINTED BY PLEDGOR REFUSES TO ACCEPT SERVICE, PLEDGOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE SECURED CREDITOR TO BRING PROCEEDINGS AGAINST PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION.

Section 23. **Waiver of Certain Defenses.** All rights of Secured Creditor and all obligations of Pledgor hereunder shall be absolute and unconditional irrespective of (i) any change in the time, manner or place of payment of, or any other term of, all or any of the Indebtedness, or any other amendment or waiver of or any consent to any departure from any provision of the Loan Documents, (ii) any exchange, release or non-perfection of any other collateral given as security for the Indebtedness, or any release or amendment or waiver of or consent to departure from any guaranty for all or any of the Indebtedness, or (iii) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Pledgor or any third party, other than payment and performance in full of the Indebtedness.

Section 24. **CONNECTICUT PREJUDGMENT REMEDY WAIVER.** PLEDGOR ACKNOWLEDGES THAT THE TRANSACTIONS REPRESENTED BY THIS AGREEMENT ARE COMMERCIAL TRANSACTIONS AND HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ANY RIGHTS TO NOTICE OF AND HEARING ON PREJUDGMENT REMEDIES UNDER CHAPTER 903C OF THE CONNECTICUT

GENERAL STATUTES OR OTHER STATUTES AFFECTING PREJUDGMENT REMEDIES AND AUTHORIZES THE SECURED CREDITOR'S ATTORNEY TO ISSUE A WRITE FOR A PREJUDGMENT REMEDY WITHOUT COURT ORDER, PROVIDED THE COMPLAINT SHALL SET FORTH A COPY OF THIS WAIVER.

Section 25. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 26. Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

Section 27. Headings. The Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

Section 28. Obligations Absolute. To the extent permitted by applicable law, all obligations of Pledgor hereunder shall be absolute and unconditional irrespective of:

(a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition liquidation or the like of Pledgor or any other Subsidiary of Pledgor;

(b) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, or any other agreement or instrument relating thereto;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document, or any other agreement or instrument relating thereto;

(d) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations; or

(e) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect of this Agreement or any other Loan Document except as specifically set forth in a waiver granted pursuant to the provisions of Section 15 hereof.

Section 29. Future Advances. This Agreement shall secure the payment of any amounts advanced from time to time pursuant to the Credit Agreement.

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

TRANSACT TECHNOLOGIES INCORPORATED (PLEDGOR)



Name: Richard L. Cote
Title: Executive Vice President,
Chief Financial Officer

BANKNORTH, N.A. (SECURED CREDITOR)

By 

Name: James Hickson
Title: Vice President

SCHEDULE A PATENTS**1 Pending Patent Applications at the U.S. Patent and Trademark Office**

Patent	Serial No.
Interface for voucher and coupon printing	10/325,214
Self validating printer with ticket voiding features	10/017,897
Method and apparatus for single pass two-color inkjet printing	10/372,677
Method and apparatus for two-color thermal POS printing	
Jam resistant printer bezel	09/633,003
External bezel for tickets and vouchers	10/394,439
	29/177,759
Pending Patent Applications	(continued)
External bezel for tickets and vouchers	29/177,773
Stacker for a printer	10/379,373
Method and apparatus for creating customized messages for printing on a transaction slip	10/402,358
Transactional printer with wireless communications to host	10/434,415

Registered Patents at the U.S. Patent and Trademark Office

Patent	Registration No.
Method and apparatus for single pass two-color ink jet point of sale (POS) printing	6,523,937
Method and Apparatus for two-color ink jet point of sale (POS) printing	6,502,923
Ink jet validation printer	6,435,679
Automatic paper loader for a printer	6,234,696

348962 v.02

RSR/31465/12/542587v2
08/05/03-BOS/**TRADEMARK**
REEL: 002828 FRAME: 0528

Patent	Registration No.
Method and apparatus for two-color ink jet point of sale (POS) printing	6,206,504
Self validating printer with ticket voiding and reprint features	6,498,655
Document presenter	4,786,047

348962 v.02

RSR/31465/12/542587v2
08/05/03-BOS/**TRADEMARK**
REEL: 002828 FRAME: 0529

SCHEDULE B TRADEMARKS**Pending Trademark Applications at the U.S. Patent and Trademark Office**

Mark	Serial No.
FLEXZONE	78/273038
ITHERM	78/229041

Registered Marks at the U.S. Patent and Trademark Office

Mark	Reg No.
POWER POCKET	2,491,506
INSTALOAD	2,491,493
MADE TO ORDER. BUILT TO LAST.	2,126,727
TRANSACT	2,188,226
BANKJET	2,707,596
ITHACA	1,990,828
50PLUS	1,996,186
MAGNETEC	2,069,636
POSJET	2,448,381
PCOS	1,355,079

FOREIGN PATENTS ON ATTACHED SCHEDULE

FOREIGN PATENTS/APPLICATIONS OF TRANSACT TECHNOLOGIES

Patent/Application Number	Country	Title	Status
WO 02/099622	PCT	SELF VALIDATING PRINTER WITH TICKET VOIDING AND REPRINT FEATURES	Pending
2001-541697	JAPAN	AUTOMATIC PAPER LOADER FOR PRINTER	Pending
00805705.2	CHINA	AUTOMATIC PAPER LOADER FOR A PRINTER	Pending
00979218.5-2304	EPO	AUTOMATIC PAPER LOADER FOR A PRINTER	Pending
PA/A/2001/007902	MEXICO	AUTOMATIC PAPER LOADER FOR A PRINTER	Pending
2,422,123	CANADA	METHOD AND APPARATUS FOR TWO-COLOR <i>INK JET</i> POS PRINTING	Filed
01 924 166.0	EUROPEAN COMMUNITY	METHOD AND APPARATUS FOR TWO-COLOR <i>INK JET</i> POS PRINTING	Pending
WO 01/78373	PCT	METHOD AND APPARATUS FOR TWO-COLOR <i>INK JET</i> POS PRINTING	Nationalized
TBD	CANADA	METHOD AND APPARATUS FOR TWO-COLOR <i>THERMAL</i> POS PRINTING	Filed
01816578.8	CHINA	METHOD AND APPARATUS FOR TWO-COLOR <i>THERMAL</i> POS PRINTING	Filed

Patent/Application Number	Country	Title	Status
01 961 781.0	EUROPEAN COMMUNITY	METHOD AND APPARATUS FOR TWO-COLOR THERMAL POS PRINTING	Pending
PA/A/2003/001719	MEXICO	METHOD AND APPARATUS FOR TWO-COLOR THERMAL POS PRINTING	Pending
WO 02/13131	PCT	METHOD AND APPARATUS FOR TWO-COLOR THERMAL POS PRINTING	Nationalized
PCT/US03/09768	PCT	METHODS AND APPARATUS FOR CREATING CUSTOMIZED MESSAGES FOR PRINTING ON A TRANSACTION SLIP	Pending

SCHEDULE C COPY RIGHTS**Copyrights Registered at the U.S. Copyright Office**

Copyright	Registration No.
POSjet color image converter	TXu-944-370
A designer's guide to understanding printhead technology	TX-1-288-475

In addition to the above registered copyrights, all other copyrights in materials utilized in connection with the business". As discussed, copyrights in materials created after 1989 do not have to be registered unless and until the copyright owner elects to bring a copyright infringement action.

SCHEDULE D

LIENS

NONE

SCHEDULE E

REQUIRED CONSENTS AND LICENSES

348962 v.02

RSR/31465/12/542587v2
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TRADEMARK
REEL: 002828 FRAME: 0535

SCHEDULE F

CLAIMS, LITIGATION, ETC.

NONE

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08/06/03-BOS/

RECORDED: 04/06/2004

TRADEMARK
REEL: 002828 FRAME: 0536