

01-20-1999

FORM PTO-1594 (Rev. 6-93)

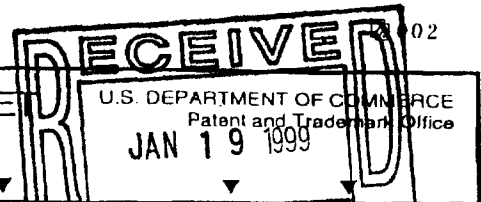
OMB No. 0651-0011 (exp. 4-94)

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To the Honorable Commissioner of Patents and Trademarks, please return the attached original documents or copy thereof.

1. Name of conveying party(ies):

Reed IP, INC.
380 Union Street
West Springfield, MA 01089

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

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

3. Nature of conveyance:

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

Execution Date: December 29, 1998

2. Name and address of receiving party(ies)

Name: SPRINGFIELD INSTITUTION for SAVINGS

Internal Address:

Street Address: 1141 Main Street

City: Springfield State: MA ZIP: 01103

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

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 patent number(s):

A. Trademark Application No.(s)

01/20/1999 SBURNS 00000102 849354

01 FC:481 40.00 OP
02 FC:482 100.00 OP

B. Trademark Registration No.(s)

849,354 783,988

668,953 1,334,078

1,152,923

Additional numbers attached? Yes No

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

Name: Brian D. Harrington, Esquire

Internal Address:

Street Address: NICOLAI LAW GROUP, P.C.

146 CHESTNUT STREET

City: SPIRNGFIELD State: MA ZIP: 01103

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41).....\$ 140.⁰⁰ E

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(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.

Katherine E. Putnam, President

Name of Person Signing

Signature

December 29, 1998

Date

Total number of pages including cover sheet, attachments, and document: 18

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

PATENT COLLATERAL SECURITY AND PLEDGE AGREEMENT

PATENT COLLATERAL SECURITY AND PLEDGE AGREEMENT dated as of December 29, 1998, between REED IP, INC., a Massachusetts corporation having a principal place of business at 380 Union Street, West Springfield, Massachusetts (the "Assignor"), and SPRINGFIELD INSTITUTION FOR SAVINGS, a Massachusetts banking corporation with a usual place of business at 1441 Main Street, Springfield, Massachusetts (the "Bank" or "Assignee" or "Lender").

WHEREAS, the Assignor and the Bank are parties to certain Loan documents dated December 29, 1998 (as amended and in effect from time to time (the "Loan Documents")) between the Assignor and the Bank; and

WHEREAS, it is a condition precedent to the Bank's making any loans or otherwise extending credit to the Assignor that the Assignor execute and deliver to the Bank a patent pledge agreement in substantially the form hereof (the "Patent Pledge Agreement"); and

WHEREAS, the Assignor has executed and delivered to the Bank a Security Agreement, pursuant to which the Assignor has granted to the Bank a security interest in all of the Assignor's personal property and fixture assets, including, without limitation, the patents, patent applications and trademarks listed on **Schedule A** attached hereto (the "Intellectual Property"), all to secure the payment and performance of the Obligations.

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

Section 1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Loan Documents. In addition, the following terms shall have the meanings set forth in this Section 1 or elsewhere in this Patent Pledge Agreement referred to below:

Associated Goodwill. All goodwill of the Assignor and its business, products and services appurtenant to, associated with or symbolized by the Intellectual Property and the use thereof.

Intellectual Property. All of the patents, patent applications and trademarks used or associated with or appurtenant to the products, services and businesses of the Assignor, that (a) are set forth on **Schedule A** hereto, or (b) have been adopted, acquired, owned, held or used by the Assignor or are now owned, held or used by the Assignor, in the Assignor's business, or with the Assignor's products and services, or in which the Assignor has any right, title or interest, or (c) are in the future adopted, acquired, owned, held and used by the Assignor in the Assignor's business or with the Assignor's products and services, or in which the Assignor in the future acquires any right, title or interest.

Intellectual Property Rights. Any and all past, present or future rights in, to and associated with the Intellectual Property throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise.

Pledged Intellectual Property. All of the Assignor's right, title and interest in and to all of the Intellectual Property, the Patents, Intellectual Property Rights, the Associated Goodwill, the Related Assets, and all accessions to, substitutions for, replacements of, and all products and proceeds of any and all of the foregoing.

PTO. The United States Patent and Trademark Office.

Related Assets. All assets, rights and interests of the Assignor that uniquely reflect or embody the Associated Goodwill, including the following:

(a) all patents, inventions, copyrights, trade secrets, confidential information, formulae, methods or processes, compounds, recipes, know-how, methods and operating systems, drawings, descriptions, formulations, manufacturing and production and delivery procedures, quality control procedures, product and service specifications, catalogs, price lists, and advertising materials, relating to the manufacture, production, delivery, provision and sale of goods or services under or in association with any of the Intellectual Property; and

(b) the following documents and things in the possession or under the control of the Assignor, or subject to its demand for possession or control, related to the production, delivery, provision and sale by the Assignor, or any affiliate, franchisee, licensee or contractor, of products or services sold by or under the authority of the Assignor in connection with the Intellectual Property or Intellectual Property Rights, whether prior to, on or subsequent to the date hereof:

(i) all lists, contracts, ancillary documents and other information that identify, describe or provide information with respect to any customers, dealers or distributors of the Assignor, its affiliates or franchises or licensees or contractors, for products or services sold under or in connection with the Intellectual Property or Intellectual Property Rights, including all lists and documents containing information regarding each customer's, dealer's or distributor's name and address, credit, payment, discount, delivery and other sale terms, and history, pattern and total of purchases by brand, product, style, size and quantity;

(ii) all agreements (including franchise agreements), product and service specification documents and operating, production and quality control manuals relating to or used in the design, manufacture, production, delivery, provision and sale of products or services under or in connection with the Intellectual Property or Intellectual Property Rights;

(iii) all documents and agreements relating to the identity and locations of all sources of supply, all terms of purchase and delivery, for all materials, components, raw materials and other supplies and services used in the manufacture, production, provision, delivery and sale of products or services under or in connection with the Intellectual Property or Intellectual Property Rights; and

(iv) all agreements and documents constituting or concerning the present or future, current or proposed advertising and promotion by the Assignor (or any

of its affiliates, franchisees, licensees or contractors) of products or services sold under or in connection with the Intellectual Property or Intellectual Property Rights.

Use. With respect to any Intellectual Property, all uses of such Intellectual Property by, for or in connection with the Assignor or its business or for the direct or indirect benefit of the Assignor or its business, including all such uses by the Assignor itself, by any of the affiliates of the Assignor, or by any franchisee, licensee or contractor of the Assignor.

Unless otherwise provided herein, the rules of interpretation set forth in the Loan Documents shall be applicable to this Patent Pledge Agreement.

Section 2. Grant of Security Interest.

(a) As collateral security for the payment and performance in full of all of the Obligations, to the greatest extent permitted by law and/or applicable contracts, the Assignor hereby unconditionally grants to the Bank a continuing security interest in and first priority lien on the Pledged Intellectual Property, and pledges and mortgages (but does not transfer title to) the Pledged Intellectual Property to the Bank.

(b) In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Pledged Intellectual Property provided in Section 2(a), the Assignor grants, assigns, transfers, conveys and sets over to the Bank the Assignor's entire right, title and interest in and to the Pledged Intellectual Property; provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only (a) upon or after the occurrence and during the continuance of an Event of Default and (b) either (i) upon the written demand of the Bank at any time during such continuance or (ii) immediately and automatically (without notice or action of any kind by the Bank) upon an Event of Default or upon the sale or other disposition of or foreclosure upon the Collateral (including the transfer or other disposition of the Collateral by the Assignor to the Bank or its nominee in lieu of foreclosure).

(c) Pursuant to the Security Agreement, the Assignor has granted to the Bank a continuing security interest in and lien on the Collateral (including the Pledged Intellectual Property). The Loan Documents, and all rights and interests of the Bank in and to the Collateral (including the Pledged Intellectual Property) thereunder, are hereby ratified and confirmed in all respects. In no event shall this Patent Pledge Agreement, the grant, assignment, transfer and conveyance of the Pledged Intellectual Property hereunder, or the recordation of this Patent Pledge Agreement (or any document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the security interest of the Bank in the Collateral (including the Pledged Intellectual Property) pursuant to this Patent Pledge Agreement, the attachment and perfection of such security interest under the Uniform Commercial Code (including the security interest in the Pledged Intellectual Property), or any present or future rights and interests of the Bank in and to the Collateral under or in connection with this Patent Pledge Agreement or the Uniform Commercial Code. Any and all rights and interests of the Bank in and to the Pledged Intellectual Property (and any and all obligations of the Assignor with respect to the Pledged Intellectual Property) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Bank (and the obligations of the Assignor) in, to or with respect to the Collateral (including the Pledged Intellectual Property) provided in or arising under or in connection with the Loan Documents and shall not be in derogation thereof.

Section 3. Representations, Warranties and Covenants. The Assignor represents, warrants and covenants that: (a) **Schedule A** sets forth a true and complete list of all Intellectual Property and Intellectual Property Registrations now owned, licensed, controlled or used by the Assignor; (b) the Intellectual Property and Intellectual Property Registrations are subsisting and have not been adjudged invalid or unenforceable by a court, in whole or in part, and there is no litigation or proceeding pending concerning the validity or enforceability of the Intellectual Property or Intellectual Property Registrations; (c) to the best of the Assignor's knowledge, each of the Intellectual Property and

Intellectual Property Registrations is valid and enforceable; (d) to the best of the Assignor's knowledge, there is no infringement by others of the Intellectual Property, Intellectual Property Registration or Intellectual Property Rights; (e) to the best of the Assignor's knowledge, no claim has been made that the use of any of the Intellectual Property does or may violate the rights of any third person, and to the best of the Assignor's knowledge, there is no infringement by the Assignor of the trademark rights of others; (f) the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Intellectual Property (other than ownership and other rights reserved by third party owners with respect to Intellectual Property that the Assignor is licensed to use), free and clear of any liens, charges, encumbrances and adverse claims, including pledges, assignments, licenses, registered user agreements and covenants by the Assignor not to sue third persons, other than the security interest and assignment created by the Loan Documents and this Patent Pledge Agreement; (g) the Assignor has the unqualified right to enter into this Patent Pledge Agreement and to perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents, consultants, licensors and licensees that will enable them to comply with the covenants herein contained; (h) the Assignor has used, and will continue to use, proper statutory and other appropriate proprietary notices in connection with its use of the Intellectual Property; (i) the Assignor has used, and will continue to use for the duration of this Patent Pledge Agreement, consistent standards of quality in its manufacture and provision of products and services sold or provided under the Intellectual Property; (j) this Patent Pledge Agreement, together with the Loan Agreement, will create in favor of the Bank a valid and perfected first priority security interest in the Pledged Intellectual Property upon making the filings referred to in clause (k) of this Section 3; and (k) except for financing statements with the Commonwealth of Massachusetts, Town of West Springfield and PTO under the Uniform Commercial Code and the recording of this Patent Pledge Agreement with the PTO, no authorization, approval or other action by, and no notice to or filing with any governmental or regulatory authority, agency or office is required either (i) for the grant by the Assignor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Patent Pledge Agreement by the Assignor, or (ii) for the perfection

of or the exercise by the Bank of any of its rights and remedies hereunder.

Section 4. Inspection Rights. The Assignor hereby grants to the Bank and its employees and agents the right to visit the Assignor's plants and facilities that manufacture, inspect or store products sold under any of the Intellectual Property, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

Section 5. No Transfer or Inconsistent Agreements. Without the Bank's prior written consent the Assignor will not (a) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Pledged Intellectual Property, or (b) enter into any agreement that is inconsistent with the Assignor's obligations under this Patent Pledge Agreement or the Loan Documents.

Section 6. After-acquired Patents.

(a) If, before the Obligations shall have been finally paid and satisfied in full, the Assignor shall obtain any right, title or interest in or to any other or new Patents or Intellectual Property Rights, the provisions of this Patent Pledge Agreement shall automatically apply thereto and the Assignor shall promptly provide to the Bank notice thereof in writing and execute and deliver to the Bank such documents or instruments as the Bank may reasonably request further to implement, preserve or evidence the Bank's interest therein.

(b) The Assignor authorizes the Bank to modify this Patent Pledge Agreement and the Assignment of Intellectual Property without the necessity of the Assignor's further approval or signature, by amending **Exhibit A** hereto and the Annex to the Assignment of Intellectual Property to include any future or other Patents or Intellectual Property Rights under Section 2 or Section 6.

Section 7. Patent Prosecution.

(a) The Assignor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with

the Pledged Intellectual Property, and shall hold the Bank harmless from any and all reasonable costs, damages, liabilities and expenses that may be incurred by the Bank in connection with the Bank's interest in the Pledged Intellectual Property or any other action or failure to act in connection with this Patent Pledge Agreement or the transactions contemplated hereby. In respect of such responsibility, the Assignor shall retain patent counsel acceptable to the Bank.

(b) The Assignor shall have the right and the duty, through patent counsel acceptable to the Bank, to prosecute diligently any patent application of the Intellectual Property pending as of the date of this Patent Pledge Agreement or thereafter, to preserve and maintain all rights in the Intellectual Property, including the filing of appropriate renewal applications and other instruments and the payment when due of all registration renewal fees and patent maintenance fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to any of the Intellectual Property. Any reasonable expenses incurred in connection with such applications and actions shall be borne by the Assignor. The Assignor shall not abandon any filed Intellectual Property without the consent of the Bank.

(c) The Assignor shall have the right to bring suit or other action in the Assignor's own name to maintain and enforce the Intellectual Property and the Intellectual Property Rights. The Assignor may require the Bank to join in such suit or action as necessary to assure the Assignor's ability to bring and maintain any such suit or action in any proper forum if (but only if) the Bank is completely satisfied that such joinder will not subject the Bank to any risk of liability. The Assignor shall promptly, upon demand, reimburse and indemnify the Bank for all damages, reasonable costs and expenses, including reasonable legal fees, incurred by the Bank pursuant to this Section 7 (c).

(d) In general, the Assignor shall take any and all such reasonable actions (including institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate to properly maintain, protect, preserve, care for and enforce the Pledged Intellectual Property. The Assignor

shall not take or fail to take any reasonable action, nor permit any reasonable action to be taken or not taken by others under its control, that would adversely affect the validity, grant or enforcement of the Pledged Intellectual Property.

(e) Promptly upon obtaining knowledge thereof, the Assignor will notify the Bank in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court, regarding the validity of any of the Intellectual Property or the Assignor's rights, title or interests in and to the Pledged Intellectual Property, and of any event that does or reasonably could materially adversely affect the value of any of the Pledged Intellectual Property, the ability of the Assignor or the Bank to dispose of any of the Pledged Intellectual Property or the rights and remedies of the Bank in relation thereto (including but not limited to the levy of any legal process against any of the Pledged Intellectual Property).

(f) Notwithstanding any other term or provision set forth in Section 7 hereof, Assignor shall be required to commence and prosecute the actions set forth or referred to in Section 7 only in those instances where the failure to do so would result in or cause a materially adverse effect to the economic viability of Assignor or would materially and adversely affect any of Assignor's assets; and in those instances where the cost to defend and maintain any of said actions is, in the reasonable business judgment of Assignor, justified.

Section 8. Remedies. Upon the occurrence and during the continuance of an Event of Default, the Bank shall have, in addition to all other rights and remedies given it by this Patent Pledge Agreement (including, without limitation, those set forth in Section 2, the Loan Documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the Commonwealth of Massachusetts, and, without limiting the generality of the foregoing, the Bank may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Assignor, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to

time any part of the Pledged Intellectual Property, or any interest that the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Pledged Intellectual Property all reasonable expenses incurred by the Bank in attempting to enforce this Patent Pledge Agreement (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations as set forth in or by reference in the Loan Documents. Notice of any sale, license or other disposition of the Pledged Intellectual Property shall be given to the Assignor at least ten (10) days before the time that any intended public sale or other public disposition of the Pledged Intellectual Property is to be made or after which any private sale or other private disposition of the Pledged Intellectual Property may be made, which the Assignor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Bank may, to the extent permitted under applicable law, purchase or license the whole or any part of the Pledged Intellectual Property or interests therein sold, licensed or otherwise disposed of.

Section 9. Collateral Protection. If the Assignor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of the Assignor shall be breached, the Bank, in its own name or that of the Assignor (in the sole discretion of the Bank), may (but shall not be obligated to) do such act or remedy such breach -or cause such act to be done or such breach to be remedied), and the Assignor agrees promptly to reimburse the Bank for any reasonable cost or expense incurred by the Bank in so doing.

Section 10. Power of Attorney. If any Event of Default shall have occurred and be continuing, the Assignor does hereby make, constitute and appoint the Bank (and any officer or agent of the Bank as the Bank may select in its exclusive discretion) as the Assignor's true and lawful attorney-in-fact, with full power of substitution and with the power to endorse the Assignor's name on all applications, documents, papers and instruments necessary for the Bank to use the Pledged Intellectual Property, or to grant or issue any exclusive or nonexclusive license of any of the Pledged Intellectual Property to any third person, or to take any and all actions necessary for the Bank to assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged

Intellectual Property or any interest of the Assignor therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that the Assignor is obligated to execute and do hereunder. The Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and releases the Bank from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by the Bank under this power of attorney (except for the Bank's gross negligence or willful misconduct). This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Patent Pledge Agreement.

Section 11. Further Assurances. The Assignor shall, at any time and from time to time, and at its expense, make, execute, acknowledged and deliver, and file and record as necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as the Bank may reasonably request or as may be necessary or appropriate in order to implement and effect fully the intentions, purposes and provisions of this Patent Pledge Agreement, or to assure and confirm to the Bank the grant, perfection and priority of the Bank's security interest in the Pledged Intellectual Property.

Section 12. Termination. At such time as all of the Obligations have been finally paid and satisfied in full, this Patent Pledge Agreement shall terminate and the Bank shall, upon the written request and at the expense of the Assignor, execute and deliver to the Assignor all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in the Assignor the entire right, title and interest to the Pledged Intellectual Property previously granted, assigned, transferred and conveyed to the Bank by the Assignor pursuant to this Patent Pledge Agreement, as fully as if this Patent Pledge Agreement had not been made, subject to any disposition of all or any part thereof that may have been made by the Bank pursuant hereto or the Loan Agreement.

Section 13. Course of Dealing. No course of dealing between the Assignor and the Bank, nor any failure to exercise, nor any

delay in exercising, on the part of the Bank, any right, power or privilege hereunder or under the Loan Documents or any other agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other. or further exercise thereof or the exercise of any other right, power or privilege.

Section 14. Expenses. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and expenses incurred by the Bank in connection with the preparation of this Patent Pledge Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance or renewal fees, encumbrances, or otherwise protecting, maintaining or preserving the Pledged Intellectual Property, or in defending or prosecuting any actions or proceedings arising out of or related to the Pledged Intellectual Property, shall be borne and paid by the Assignor.

Section 15. Overdue Amounts. Until paid, all amounts due and payable by the Assignor hereunder shall be a debt secured by the Pledged Intellectual Property and other Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Loan Agreement.

Section 16. No Assumption of Liability; Indemnification. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE BANK ASSUMES NO LIABILITIES OF THE ASSIGNOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING THE ASSIGNOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF. OR RIGHTS OR PURPORTED RIGHTS ARISING FROM. ANY OF THE PLEDGED INTELLECTUAL PROPERTY OR ANY USE. LICENSE OR SUBLICENSE THEREOF. WHETHER ARISING OUT OF ANY PAST. CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY THE RESPONSIBILITY OF THE ASSIGNOR. AND THE ASSIGNOR SHALL INDEMNIFY THE BANK FOR ANY AND ALL REASONABLE COSTS. REASONABLE EXPENSES. DAMAGES AND CLAIMS. INCLUDING LEGAL FEES. INCURRED BY THE BANK WITH RESPECT TO SUCH LIABILITIES.

Section 17. Notices. All notices and other communications made or required to be given pursuant to this Patent Pledge

Agreement shall be in writing and shall be delivered in hand, mailed by United States registered or certified first-class mail, postage prepaid, or sent by telegraph, telecopy or telex and confirmed by delivery via courier or postal service, addressed as follows:

(a) if to the Assignor, at 380 Union Street, West Springfield, Massachusetts, Attention: President, or at such other address for notice as the Assignor shall last have furnished in writing to the person giving the notice; and

(b) if to the Bank, at Springfield Institution for Savings, 1441 Main Street, Springfield, Massachusetts 01103, Attention: Commercial Loan Department, or at such other address for notice as the Bank shall last have furnished in writing to the person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer, (ii) if sent by registered or certified first-class mail, postage prepaid, two (2) Business Days after the posting thereof, and (iii) if sent by telegraph, telecopy, or telex, at the time of the dispatch thereof, if in normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day.

Section 18. Amendment and Waiver. This Patent Pledge Agreement is subject to modification only by a writing signed by the Bank and the Assignor, except as provided in Section 6(b). The Bank shall not be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by the Bank. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

Section 19. Governing Law; Consent to Jurisdiction. THIS PATENT PLEDGE AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS. The Assignor agrees that any suit for the enforcement of this Patent Pledge Agreement may be brought in the courts of the Commonwealth of Massachusetts or any federal court sitting therein and consents to

the nonexclusive jurisdiction of such court and to service of process in any such suit being made upon the Assignor by mail at the address specified in Section 17. The Assignor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

Section 20. Waiver of Jury Trial. THE ASSIGNOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS PATENT PLEDGE AGREEMENT, AND ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, the Assignor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Assignor (a) certifies that neither the Bank nor any representative, agent or attorney of the Bank has represented, expressly or otherwise, that the Bank would not, in the event of litigation, seek to enforce the foregoing waivers, and (b) acknowledges that, in entering into the Loan Agreement and the other Loan Documents to which the Bank is a party, the Bank is relying upon, among other things, the waivers and certifications contained in this Section 20.

Section 21. Miscellaneous. The headings of each section of this Patent Pledge Agreement are for convenience only and shall not define or limit the provisions thereof. This Patent Pledge Agreement and all rights and obligations hereunder shall be binding upon the Assignor and its respective successors and assigns, and shall inure to the benefit of the Bank and its successors and assigns. In the event of any irreconcilable conflict between the provisions of this Patent Pledge Agreement and the Loan Agreement, the provisions of the Loan Agreement, shall control. If any term of this Patent Pledge Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Patent Pledge Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Assignor acknowledges receipt of a copy of this Patent Pledge Agreement.

IN WITNESS WHEREOF, this Patent Pledge Agreement has been executed as of the day and year first above written.

Witness:

REED IP, INC.

B. W. K.

By Katherine E. Putnam
Its President

Witness:

SPRINGFIELD INSTITUTION FOR SAVINGS

Christine M. ...

By M. Victoria Chase
Its Vice President

COMMONWEALTH OF MASSACHUSETTS

Hampden, ss.

December 27, 1998

Then personally appeared the above-named KATHERINE E. PUTNAM, its President, and acknowledged the foregoing instrument to be the free act and deed of REED IP, INC., before me,

B. W. K.
Notary Public

My commission expires: 7-20-01

COMMONWEALTH OF MASSACHUSETTS

Hampden, ss.

December 27 1998

Then personally appeared the above-named M. Victoria Crouse,
its Vice President, and acknowledged the foregoing instrument to
be the free act and deed of SPRINGFIELD INSTITUTION FOR SAVINGS,
before me,

Chau Gulik

Notary Public

MY COMMISSION EXPIRES

My commission expires: DECEMBER 16, 1999

schmidt\sisbank\pmc\patent.agt

SCHEDULE "A"

REED TRADEMARKS

MARK: REED

| <u>COUNTRY</u> | <u>REGISTRATION NO.</u> |
|----------------|-------------------------|
| Canada | 154,615 |
| France | 1,393,977 |
| Germany | 840,613 |
| United States | 849,354 |

MARK: REED PRENTICE

| <u>COUNTRY</u> | <u>REGISTRATION NO.</u> |
|----------------|-------------------------|
| Argentina | 772,550 |
| Brazil | 003,686,361 |
| Ecuador | 1059 |
| Japan | 541,004 |
| South Africa | B75/2456 |
| Spain | 777,899 |
| United States | 668,953 |
| Venezuela | 52,829 |

MARK: DUPLIMATIC

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| United States | 783,988 |
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MARK: REED CYCLE MASTER I

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| United States | 1,334,078 |
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MARK: HYDRO-TOGGLE

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| United States | 1,152,923 |
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