

11-16-1999



ER ENERGETICS

MLO 11/9/99

101201736

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

1. Name of the conveying party (ies):
Laser Energetics, Inc.

Additional name(s) of conveying parties attached?
 Yes No

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

Name: **Cincinnati Sub-Zero Products, Inc.**
Internal Address:

Street Address: **12011 Mosteller Road**

City: **Cincinnati** State: **OH** Zip: **45241-1528**

Additional name(s) attached? Yes No

Nature of Conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other

Execution Date: **October 29, 1999**

4. Application or Registration Number(s)

If this application is being filed with a new application, the execution date of the new application is _____

A. Patent Application Numbers	B. Patent Registration Numbers		
	5,331,652	4,944,567	4,734,913
	5,321,711	4,933,946	4,713,824
	5,235,606	4,858,242	4,713,820
	5,142,548	4,835,786	4,484,334
	4,949,346	4,791,927	4,475,027

Additional Numbers attached? Yes No

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

Name: **Intellectual Property Docket Administrator**
Firm: **Gibbons, Del Deo Dolan, Griffinger & Vecchione**
Address: **One Riverfront Plaza**
City: **Newark** State: **N.J.** Zip: **07102-5497**

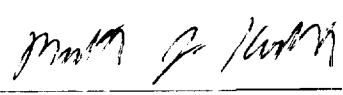
6. Total Number of applications and registrations involved: **17**

7. Total Fee: **\$680.00**
 Enclosed
 Authorized to be charged to Deposit Account

8. Deposit Account Number:
03-3839

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

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

Name: **Matthew J. Hodulik** Signature:  Date: **November 5, 1999**

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051471-34242

PATENT
REEL: 010371 FRAME: 0595

RECORDATION FORM COVER SHEET
CONTINUATION
PATENTS ONLY

Conveying Party(ies)

Mark if additional names of conveying parties attached

Enter additional Conveying Parties

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Receiving Party(ies)

Mark if additional names of receiving parties attached

Enter additional Receiving Party(ies)

Name (line 1)

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3) City

State/Country

Zip Code

Name (line 1)

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3) City

State/Country

Zip Code

Application Number(s) or Patent Number(s)

Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

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SECURITY AGREEMENT (PATENTS)

THIS SECURITY AGREEMENT is made this 24th day of October, 1999 between LASER ENERGETICS, INC., a Florida corporation having an address of 4044 Quakerbridge Road, Mercerville, New Jersey 08619 (the "Debtor"), and CINCINNATI SUB-ZERO PRODUCTS, INC., an Ohio corporation with an address of 12011 Mosteller Road, Cincinnati, Ohio 45241-1528 ("CSZ"), SID DWORKIN, an individual with an address of 2600 South Ocean Boulevard, Apartment 12 F, Boca Raton, Florida 33432 ("Dworkin"), and NEVYAS EYE ASSOCIATES, PC 401K PROFIT SHARING PLAN f/b/o account of H. Nevyas, with an address of 1120 Towerlane East, Narberth, Pennsylvania 19072 ("Nevyas") (CSZ, Dworkin and Nevyas are hereinafter collectively and individually referred to as the "Secured Party").

WITNESSETH:

WHEREAS, on the date hereof, each Secured Party has made loans to the Debtor, all as more fully described herein; and

WHEREAS, in connection with said loans, the Debtor has agreed to grant to the Secured Party a security interest in certain property of the Debtor;

WHEREAS, CSZ, Dworkin and Nevyas wish to establish their rights and obligations to each other in connection with their respective security interests.

NOW, THEREFORE, in order to induce the Secured Party to make this certain loan to the Debtor, and in consideration thereof and of other good and valuable consideration, it is mutually agreed by and between the parties hereto, as follows:

SECTION 1. DEFINITIONS. As used in this Agreement, the following words and terms shall mean:

- (a) "Collateral": The Patents, and all proceeds thereof.
- (b) "CSZ Loan": that certain loan in the principal amount of \$200,000.00, which is evidenced by the Non-Negotiable Promissory Note made by the Debtor to CSZ on September 22, 1999 (the "CSZ Note").
- (c) "Dworkin Loan": that certain loan to be made by Dworkin in the principal amount of \$30,000.00, which is presently evidenced by the Non-Negotiable Promissory Note made by the Debtor to Dworkin as of September 14, 1999 (the "Dworkin Note").
- (d) "Loans": The CSZ Loan, the Dworkin Loan and the Nevyas Loan.

- (e) "Nevyas Loan": that certain loan in the principal amount of \$400,000.00 which shall be evidenced by the Non-Negotiable Promissory Note being made by the Debtor to Nevyas on the date hereof (the "Nevyas Note").
- (f) "Notes": the CSZ Note, the Dworkin Note, and the Nevyas Note.
- (g) "Patents": (i) all letters patent of the United States purchased by the Debtor from AlliedSignal, Inc., all right, title and interest therein and thereto, and all registrations and recordings thereof, which are described in Schedule "A" annexed hereto and made a part hereof, and (ii) all reissues, continuations, continuations-in-part or extensions thereof and all licenses thereof.
- (h) "Obligations": The Loans as set forth in the Notes and all liabilities and amounts, liquidated or unliquidated, each of every kind, nature and description of Debtor to Secured Party arising under this Agreement and the Notes.

SECTION 2. SECURITY INTEREST. As security for the payment of the Obligations, Debtor hereby grants to the Secured Party a security interest in the Collateral, which security interest shall remain in full force and effect until all of the Obligations have been fully paid and satisfied. Except for the security interest granted to Howard Passov by the Debtor (the "Passov Security Interest"), the security interest shall be a first lien on all Collateral. Debtor shall, within a reasonable time after the funding of the Loans, secure a release of the Passov Security Interest.

SECTION 3. COVENANTS OF DEBTOR. Debtor covenants and agrees with the Secured Party that until all of the Obligations have been fully paid and satisfied, Debtor will:

- (a) Keep the Collateral free and clear of all liens and encumbrances (except those in favor of the Secured Party and Howard Passov), and refrain from selling or offering to sell or otherwise transferring the Collateral or any interest therein except in the ordinary course of business;
- (b) At the sole cost and expense of Debtor, defend the Collateral against all claims or demands of any persons at any time claiming the Collateral or any interest therein;
- (c) Keep accurate and complete records regarding the Collateral;
- (d) From time to time, execute and deliver to the Secured Party such financing statements, or other documents, as the Secured Party may require to evidence the security interest granted in this Agreement or permit the perfection thereof.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF DEBTOR. As a material inducement to the Secured Party to make the Loans to the Debtor and to enter into this Agreement, the Debtor represents and warrants to the Secured Party that:

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- (a) The Debtor is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, and maintains its principal place of business in the State of New Jersey.
- (b) The Debtor has the corporate power to execute, deliver, and perform this Agreement and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement.
- (c) No consent or approval of any person, landlord, or mortgagee, no waiver of any lien or right of distraint or other similar right, and no consent, license, approval, or authorization of or registration, qualification, designation, declaration or filing with any governmental authority on the part of the Debtor is required in connection with the execution, delivery, and performance of the Agreement or the consummation of any other transactions contemplated hereby.
- (d) The execution, delivery and performance of, and compliance with, this Agreement will not (with or without the giving of notice of lapse of time, or both) result in any violations of, or be in conflict with, or constitute a default under, any such term, or result in the creation of any liens upon any of the assets of the Debtor, except for the liens created pursuant to this Agreement.
- (e) This Agreement has been duly executed and delivered and constitutes the valid and legally binding obligation of the Debtor, enforceable in accordance with its terms, subject to applicable Federal and State Bankruptcy and insolvency laws affecting generally the rights of creditors.
- (f) The Debtor has title to the Patents and is unaware of any third party claims relating to the ownership of the Patents.

SECTION 5. EVENTS OF DEFAULT. There shall be an Event of Default by the Debtor under this Agreement upon the occurrence of any one of the following:

- (a) The Debtor's failure to pay, within fifteen (15) days of when due, on demand or at maturity (whether as stated or by acceleration), as the case may be, any payment of principal, interest or other charges due and owing to any Secured Party pursuant to any of the Notes.
- (b) A material breach by the Debtor of any covenant contained in this Agreement, which breach remains uncured for a period of thirty (30) days following notice thereof from the Secured Party to the Debtor.

- (c) If any warranty or representation contained in this Agreement shall be incorrect in any material respect.
- (d) Upon the appointment of a trustee, receiver or custodian of all or any part of the properties or assets of the Debtor; upon an assignment for the benefit of creditors by, the calling of a meeting of creditors of, or the commencement of any proceeding under any bankruptcy laws of any state or of the United States by the Debtor, or the commencement of any proceeding under any bankruptcy laws of any state or of the United States against the Debtor.

SECTION 6. RIGHTS AND REMEDIES OF SECURED PARTY. Subject to the limitations set forth in Section 7. upon the occurrence of an Event of Default, each Secured Party shall have the following rights and remedies, each of which shall be deemed cumulative and not exclusive, and each of which may be exercised within the sole discretion of each Secured Party:

- (a) Each Secured Party shall have all of those rights and remedies provided in this Agreement, together with those rights and remedies provided in the Uniform Commercial Code and other law in force and effect in the State of New Jersey and federal law;
- (b) Require Debtor to assemble the Collateral and make it available at a place which is reasonably convenient to the Secured Party to allow the Secured Party to take possession or dispose of the Collateral;
- (c) Take possession of and sell or otherwise dispose of any or all of the Collateral at public or private sale, and if notice of such sale or of other action by the Secured Party is required by applicable law, Debtor agrees that fifteen (15) days notice to Debtor shall be sufficient, which the Secured Party and Debtor hereby agree to be commercially reasonable; and
- (d) Subrogate to all of Debtor's interests, rights, and remedies in respect to any Collateral.

SECTION 7. PARTICIPATION OF SECURED PARTIES. Each Secured Party shall participate in the Collateral to the extent of the outstanding principal balance of such Secured Party's Loan to the Debtor over the outstanding principal balance of all of the Loans (the "Participation Rights"). For example, if the outstanding principal balance of the CSZ Loan were \$200,000, the outstanding principal balance of the Dworkin Loan were \$30,000, and the outstanding principal balance of the Nevyas Loan were \$400,000 (so that the total outstanding and the total outstanding principal balance of the Loans were \$630,000), then the Participation Rights for each Secured Party would be as follows:

<u>Secured Party</u>	<u>Participation Rights</u>
CSZ	31.7%
Dworkin	4.8%
Nevyas	63.5%

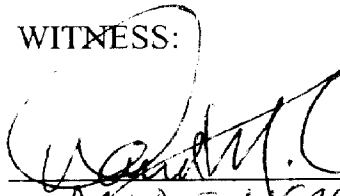
All amounts due upon the sale, license or other disposition of the Collateral by any Secured Party (all or any of the foregoing amounts being hereinafter referred to as the "Proceeds"), shall be made to each Secured Party in accordance with its Participation Rights.

SECTION 8. GENERAL.

- (a) This Agreement embodies the entire agreement and understanding between the Debtor and the Secured Party and supersedes all prior agreements and understandings relating to the subject matter hereof.
- (b) The within Agreement is to be executed and delivered within the State of New Jersey, is to be principally performed within the State of New Jersey, and the Debtor and the Secured Party elect that the laws of New Jersey shall govern the construction of this Agreement and the rights, remedies, warranties, representations, covenants, and provisions hereof.
- (c) All notices, requests, and other communications pursuant to this Agreement shall be in writing (delivered by hand or sent certified mail, return receipt requested) addressed to the recipient at the address set forth at the beginning of this Agreement or at such other address as either may give notice to the other as herein provided. Any notice, request or communication hereunder shall be deemed to have been given three (3) days after its deposit in the mails, postage prepaid, or in the case of hand delivery, when delivered, addressed as aforesaid, provided, however, that notice of a change of address, as provided herein, shall be deemed to have been given only when actually received by the party to which it is addressed.
- (d) This Agreement may be executed in any number of counterparts, each of which shall be deemed as original, but all of which shall constitute one and the same instrument.

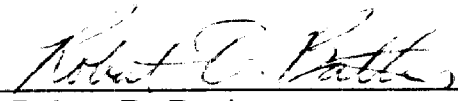
IN WITNESS WHEREOF, the Debtor has executed this instrument on the date first above written.

WITNESS:



DAVID J. LIEBERMAN

LASER ENERGETICS, INC.

By: 

Robert D. Battis
Founder, President & CEO

CINCINNATI SUB-ZERO PRODUCTS, INC.

By: _____
Name:
Title:

SID DWORKIN

NEVYAS EYE ASSOCIATES, PC
401K PROFIT SHARING PLAN
f/b/o account of H. Nevyas

By: _____
HERBERT J. NEVYAS, M.D., Trustee

IN WITNESS WHEREOF, the Debtor has executed this instrument on the date first above written.

WITNESS:

LASER ENERGETICS, INC.

By: _____

Robert D. Battis
Founder, President & CEO

CINCINNATI SUB-ZERO PRODUCTS, INC.

Chuck A Johnson

By: *[Signature]*

Name: *Steven J. Berke*
Title: *President, CEO*

SID DWORKIN

NEVYAS EYE ASSOCIATES, PC
401K PROFIT SHARING PLAN
f/b/o account of H. Nevyas

By: _____

HERBERT J. NEVYAS, M.D., Trustee

IN WITNESS WHEREOF, the Debtor has executed this instrument on the date first above written.

WITNESS:

LASER ENERGETICS, INC.

By: _____

Robert D. Battis
Founder, President & CEO

CINCINNATI SUB-ZERO PRODUCTS, INC.

By: _____

Name:
Title:

[Handwritten Signature]

[Handwritten Signature: Sidney Dworkin]

SID DWORKIN

NEVYAS EYE ASSOCIATES, PC
401K PROFIT SHARING PLAN
f/b/o account of H. Nevyas

By: _____

HERBERT J. NEVYAS, M.D., Trustee

IN WITNESS WHEREOF, the Debtor has executed this instrument on the date first above written.

WITNESS:

LASER ENERGETICS, INC.

By: _____
Robert D. Batts
Founder, President & CEO

CINCINNATI SUB-ZERO PRODUCTS, INC.

By: _____
Name:
Title:

SID DWORKIN

NEVYAS EYE ASSOCIATES, PC
401K PROFIT SHARING PLAN
f/b/o account of H. Nevyas

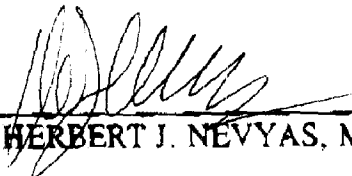
By: 
HERBERT J. NEVYAS, M.D., Trustee

EXHIBIT "A"

PATENTS

Patent No.	Title	U.S. Expiration Date
5,331,652	Solid State Laser having Closed Cycle Gas Cooled Construction	March 2013
5,235,606	Amplification of Ultrashort Pulses with Nd: Glass Amplifiers Pumped by Alexandrite Free Running Laser	October 2011
5,142,548	Broadband Tuning and Laser Line Narrowing Utilizing Birefringent Laser Hosts	April 2010
5,009,658	Dual Frequency Laser Lithotripter (1)	April 2009
4,949,346	Conductively Cooled, Diode-Pumped Solid State Slab Laser	August 2009
4,944,567	Laser Imaging Fiber Optic Delivery System	November 2007
4,933,946	Conductively Cooled Solid State Slab Laser	August 2009
4,858,242	Improved Unitary Solid-State Laser	March 2005
4,835,786	Unitary Solid State Laser	March 2005
4,791,927	Dual-Wavelength Laser Scalpel Background of the Invention	December 2005
4,734,913	Unitary Solid-State Laser	December 2005
4,713,824	Noble-Metal Overcoated, Front Surface Silver Reflectors	December 2004

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Patent No.	Title	U.S. Expiration Date
4,713,820	Thermal Lensing-Compensated Lanthanum Beryllate Laser	August 2005
4,484,334	Optical Beam Concentrator	November 2001
4,475,027	Optical Beam Homogenizer	November 2001
4,306,427	Chrysoberyl Gemstones	October 1999
5,321,711	Segmented Solid State Laser Gain Media with Gradient Dopy Level	August 2012

(1) Joint Ownership with Karl Storz Endoscopy