

65.01

06-11-2001

Docket No.:

D\$

FORM PTO-1595 (Modified)
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)
Copyright 1996-97 LegalStar
P08A/REV02

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

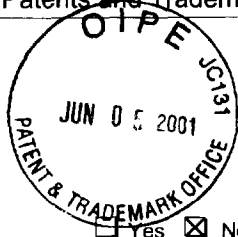


101744106

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):
ESC Medical Systems Inc.



Additional names(s) of conveying party(ies)

☐ Yes ☒ No

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

Name: **Bank Hapoalim B.M.**Address: **41 Rothschild Boulevard**

3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ OtherCity: **Tel Aviv**

State/Prov.: _____

Country: **Israel**ZIP: **66883**Execution Date: **April 13, 2001**

Additional name(s) & address(es)

☐ Yes ☒ No

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

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

Patent Application No.

Filing date

B. Patent No.(s)

See Schedule 2

See Schedule 2

Additional numbers

☐ Yes ☒ No

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

Name: **Elizabeth M. Roesel**Registration No. **34,878**Address: **SHAW PITTMAN****1650 Tysons Boulevard**City: **McLean**State/Prov.: **VA**Country: **USA**ZIP: **22102**

6. Total number of applications and patents involved:

92

7. Total fee (37 CFR 3.41):.....\$ **3,680.00**☒ Enclosed - Any excess or insufficiency should be credited or debited to deposit account☐ Authorized to be charged to deposit account

8. Deposit account number:

50-1390

06/08/2001 TDI A21 00000126 5037421

DO NOT USE THIS SPACE

06/08/2001 Statement and signature.

3680.00 DP

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.

Elizabeth M. Roesel

Name of Person Signing

Elizabeth M. Roesel

Signature

June 5, 2001

Date

Total number of pages including cover sheet, attachments, and

40

PATENT

REEL: 011846 FRAME: 0061

PATENTS AND PATENT LICENSES

U.S. PATENTS AND PATENT LICENSES

PATENTS:

<u>Patent No.</u>	<u>Title</u>
5,037,421	Mid-Infrared Laser Arthroscopic Procedure
5,132,980	Method and Device for Preconditioning a Laser Having a Solid Gain Medium
5,147,354	Mid-Infrared Laser Endoscope
5,062,842	Isotopic CO2 Laser and Method of use for Medical Treatment
5,257,989	Contact Laser Delivery Probe
5,300,066	Contact Laser Delivery System
5,296,961	Dichroic Optical Filter
5,341,238	Dichroic Optical Filter
5,171,242	Combination Lens System for Retinal Photocoagulation Laser System
5,136,676	Coupler for a Laser Delivery System
5,166,513	Dual Actuation Photoelectric Foot Switch
5,312,398	Apparatus for Delivering a Laser Beam
5,254,114	Medical Laser Delivery System with Internally Reflecting Probe and Method
5,280,536	Method and Apparatus for Supplying Pulsed Power To an Ophthalmic Laser System
5,327,442	Solid State Laser with Dual Cooling Loops
5,257,992	Micromanipulator Apparatus for Surgical Laser
5,304,174	Micromanipulator Apparatus for Surgical Laser

Patent No.	Title
5,360,447	Laser Assisted Hair Transplant Method
5,548,352	Anti-Astigmatic Ophthalmic Contact Lens for Use in Performing Laser Surgery
5,304,172	Fiber Optic Probe
D341200	Design Patent for Fiber Optic Probe
5,321,715	Laser Pulse Format for Penetrating an Absorbing Fluid
5,454,808	Surgical Laser Handpiece for Slit Incisions
5,558,667	Method and Apparatus for Treating Vascular Lesions
5,754,573	Method and Apparatus for Treating Vascular Lesions
5,911,718	Method and Apparatus for Treating Vascular Lesions
5,395,360	Damage Resistant Sterilizable Fiber Optic Probe Assembly
5,558,666	Handpiece for Producing Highly Collimated Laser Beam for Dermatological Procedures
5,531,739	Method of Treating Veins
5,578,029	Method of Treating Veins
5,522,813	Method of Treating Veins
5,772,657	Side Firing Fiber Optic Laser Probe
6,026,112	Delivery System for High Power Multi-Wavelength Laser Systems
5,743,902	Hand-Held Laser Scanner
5,957,915	Hand-Held Laser Scanner
5,634,737	Coupler for Attaching an Articulated Arm to a Laser
5,642,370	High Repetition Rate Erbium:YAG Laser for Tissue Ablation
6,096,031	High Repetition Rate Erbium:YAG Laser for Tissue Ablation

Patent No.	Title
5,644,585	High Repetition Rate Erbium:YAG Laser for Tissue Ablation
5,640,412	Prism Folded Laser Cavity with Controlled Intracavity Beam Polarization
5,661,737	Multi-Wavelength Laser Beam Detector with Refractive Element
5,852,626	Geometry for Cylindrical Shaped Laser System Gain Medium
6,024,751	Method and Apparatus for Transurethral Resection of the Prostate
6,156,049	Method and Apparatus for Transurethral Resection of the Prostate
5,928,221	Fluence Monitoring Method for Laser Treatment of Biological Tissue
6,120,498	Aspirating Handpieces for Laser Surgical Operations
6,130,900	Pulsed Intracavity Frequency-Converted Solid-State Laser with Long-Pulse Simulation
5,527,350	Pulsed Infrared Laser Treatment of Psoriasis
5,707,403	Method for the Laser Treatment of Subsurface Blood Vessels
4,393,506	Sealed-Off RF Excited CO ₂ Lasers and Method of Manufacturing Such Lasers
4,652,083	Hollow Waveguide
4,688,893	Hollow Waveguide Having Plural Layer Dielectric
5,336,216	Apparatus for Delivering a Defocused Laser Beam Having a Sharp-Edged Cross-Section
5,375,132	Solid State Laser with Interleaved Output
5,659,563	Solid State Laser with Relay Optics

Patent No.	Title
5,718,574	Liquid Circulation System for Cooling a Laser Head
5,729,643	Tapered Composite Optical Fiber and Method of Making the Same
5,999,555	Apparatus for Combining Laser Beams
6,115,396	Control System for a Laser with Multiple Solid State Rods
5,625,638	Sealed Crystalline Windows for Hollow Laser Fibers
6,135,995	Electronically Pulsed Laser System
5,848,081	Insulated Water Cooled Gain Medium Assembly for a Laser System
5,743,901	High Fluence Laser Device and Method for the Fabrication and Use Thereof
6,193,711	Rapid Pulsed Er:YAG Laser
4,736,744	Laser Coagulation System
4,759,360	Laser Coagulation System
4,776,335	Laser Spot Projector
5,425,729	Laser Coagulation System

Pending Applications:**Patent Application No.****Title**

09/354927	Hand-Held Scanner
09/592324	High Repetition Rate Erbium:YAG Laser for Tissue Ablation
09/315894	Fluence monitoring Method for Laser Treatment of Biological Tissue
09/538787	Dual-Wavelength Laser-Treatment of Vascular Disorders
09/415575	Automatic Firing Apparatus and Method for Laser Skin Treatment over Large Areas
09/550096	Zoom Handpiece for Laser Surgery
09/664193	Method of Detecting Coagulation in Laser Treatment of Blood Vessels
09/655535	Frequency Doubled Nd:YAG with Yellow Light Output
09/663987	Method of Treating Hypotrophic Scars and Enlarged Pores
09/615493	Method and Apparatus for Providing a Uniform Beam From a Laser Light Source
09/669703	Fiber Management Package
09/765,183	Handpiece for Projecting Laser Radiation Received via an Optical Fiber
09/439919	Laser System and Method for Actively Stabilized Multiple Harmonic Output
09/478728	Adjustable Rigid Laser Mirror Mount
09/492025	Solid-State Laser with Composite Prismatic Gain-Region
09/371637	Asymmetrical Laser-Resonator Having Solid-State Gain-Medium Symmetrically Filled by Resonator-Mode
09/602442	Power Monitoring Arrangement for Broken Fiber Detector
09/526149	Method for Finishing Laser Drilled Quartz and Fused Silica
09/814,443	Scanning Laser Handpiece with Shaped Output Beam
09/814,445	Scanning Laser Handpiece with Shaped Output Beam
09/815,467	Handpiece for Projecting Laser Radiation in Spots of Different Color and Size
60/276,713	Side Firing Needle
60/276,715	Self Terminating MRI Agent

09/738,523

Laser Treatment for Reducing Wrinkles

SUBSIDIARY SECURITY AGREEMENT

SUBSIDIARY SECURITY AGREEMENT, dated as of April 30, 2001 made by ESC Medical Systems Inc., a Massachusetts corporation (the "Grantor") in favor of BANK HAPOALIM B.M., an Israeli banking corporation (the "Bank") as holder of the Secured Obligations (as hereinafter defined) and as a party to the Loan Agreement described below.

W I T N E S S E T H:

WHEREAS, Energy Systems Holdings Inc., a Delaware corporation (the "Borrower") is a party to the Loan Agreement, dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement") between the Borrower and the Bank;

WHEREAS, pursuant to the Loan Agreement, the Bank has agreed to make a term loan to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition precedent to the obligation of the Bank to make the term loan under the Loan Agreement that the Grantor shall have executed and delivered this Security Agreement in favor of the Bank to secure payment and performance of the Secured Obligations;

WHEREAS, ESC Medical Systems Ltd., an Israeli corporation (the "Parent") is a party to a Short Term Loan Credit Letter dated as of April 30, 2001 (as amended, supplemented or otherwise modified from time to time, the "Short Term Loan Credit Letter"), between the Parent and the Bank;

WHEREAS, pursuant to the Short Term Loan Credit Letter, the Bank, has agreed to make a short term credit line to the Parent upon the terms and subject to the conditions set forth therein;

WHEREAS, the Grantor has entered into a Subsidiary Guarantee dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "Guarantee") in favor of the Bank, pursuant to which the Grantor has guaranteed the complete payment and performance by the Borrower and the Parent when due of the Secured Obligations (including, without limitation, the obligations of the Borrower under the Loan Agreement and the obligations of the Parent under the Short Term Loan Credit Letter);

WHEREAS, it is a condition precedent to the obligation of the Bank to make the short term credit line and/or the Other Financing to the Parent that the Grantor shall have executed and delivered this Subsidiary Security Agreement in favor of the Bank;

NOW, THEREFORE, in consideration of the premises and to induce the Bank to enter into the Loan Agreement and the Short Term Loan Credit Letter and to make the term loan, the

short term line thereunder and the Other Financing available to the Parent and/or the Borrower from time to time, the Grantor hereby agrees as follows:

1. Defined Terms.

1.1 Definitions.

(a) Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement, and the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Chattel Paper, Deposit Accounts, Documents, Equipment, Fixtures, General Intangibles, Instruments, Inventory and Proceeds.

(b) The following terms shall have the following meanings:

“Additional Financing” shall mean that certain commitment of the Bank to provide the Parent credit in order to repay the 6% Convertible Subordinated Notes issued by the Parent on September 10, 1997, up to a maximum aggregate sum of US\$93 million.

“Agreement” this Security Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“Code” the Uniform Commercial Code from time to time in effect in any state to the extent the same is applicable by law to any portion of the Collateral.

“Collateral” as defined in Section 2 of this Agreement.

“Collateral Account” as defined in the Borrower Security Agreement.

“Copyrights” means all of the following to the extent that the Grantor now or hereafter has any right, title or interest therein: (i) all United States copyrights in all Works, whether published or unpublished, now existing or hereafter created or acquired, including, without limitation, the copyrights in the Works listed in Schedule 1 hereto, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Copyright Office, and (ii) all renewals thereof

“Copyright License” means any written agreement, naming the Grantor as licensor or licensee, granting any right under any Copyright, including, without limitation, the agreements described in Schedule 1 hereto, as the same may be amended, supplemented or otherwise modified from time to time, including, without limitation, (i) all rights of the Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of the Grantor to damages arising out of or for breach or default in respect thereof and (iii) all rights of the Grantor to exercise all remedies thereunder.

“Default” or “Event of Default” shall have the respective meaning given to each such term in the Loan Agreement or any other agreement or instrument relating to, or

evidencing, any Secured Obligation.

"Investment Property" the collective reference to all "investment property" as such term is defined in Section 9-115 of the Code.

"Other Financing" means any and all advances and extensions of credit (other than pursuant to the Loan Agreement, the Short Term Loan Credit Letter and the Additional Financing) that may be made from time to time by the Bank to the Parent and/or the Borrower, including, without limitation, the Additional Financing.

"Patents" means all of the following to the extent that the Grantor now or hereafter has any right, title or interest therein (a) all letters patent of the United States or any other country and all reissues and extensions thereof, including, without limitation, any thereof referred to in Schedule 2, and (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including, without limitation, any thereof referred to in Schedule 2.

"Patent Licenses" any written agreements providing for the grant by or to the Grantor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, any thereof referred to in Schedule 2.

"Receivable" means any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel paper and whether or not it has been earned by performance (including, without limitation, any Account).

"Secured Obligations" shall be the collective reference to the unpaid principal of and interest on the Note, the unpaid principal and interest arising under the Short Term Loan Credit Letter and any unpaid principal and interest relating to any Other Financing owing from time to time by the Parent and/or the Borrower to the Bank, and all other obligations and liabilities (including, without limitation, interest, accruing at the then maximum rate charged by the Bank on any indebtedness owed to the Bank by the Borrower or the Parent, on any past due indebtedness and interest, accruing at the then maximum rate charged by the Bank on any indebtedness owed to the Bank by the Borrower or the Parent, after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower or the Parent, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) of the Borrower and the Parent to the Bank, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Loan Agreement, the Short Term Loan Credit Letter, this Agreement, the Note, the other Loan Documents, any document relating to Other Financing owing from time to time by the Parent and/or the Borrower to Bank, or any other document made, delivered or given in connection therewith or herewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Bank that are required to be paid by the Borrower and/or the Parent pursuant to the terms of the Loan Agreement, the Short Term Loan Credit Letter, this Agreement, any document relating to Other Financing owing from time to time by the Parent and/or the Borrower to Bank, or any other Loan Document).

"Termination Date" the date on which the Secured Obligations have been irrevocably paid in full, other than the indemnification obligations not then due and payable.

"Trademarks" means all of the following to the extent that the Grantor now or hereafter has any right, title or interest therein (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, including, without limitation, any thereof referred to in Schedule 3, and (b) all renewals thereof.

"Trademark Licenses" means any written agreement providing for the grant by or to the Grantor of any right to use any Trademark, including, without limitation, any thereof referred to in Schedule 3.

"Works" any tangible expression of an idea of any Person.

1.2 Other Definitional Provisions.

(a) The words "hereof," "herein", "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations, the Grantor hereby grants to the Bank, a security interest in all of the following property now owned or at any time hereafter acquired by the Grantor or in which the Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"):

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Copyrights;
- (d) all Copyright Licenses;
- (e) all Deposit Accounts;
- (f) all Documents;

- (g) all Equipment;
- (h) all Fixtures;
- (i) all General Intangibles;
- (j) all Instruments;
- (k) all Inventory;
- (l) all Investment Property;
- (m) all Patents;
- (n) all Patent Licenses;
- (o) all Receivables;
- (p) all Trademarks;
- (q) all Trademark Licenses;
- (r) all other property not otherwise described above;
- (s) all books and records pertaining to the Collateral; and

(t) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

Notwithstanding anything herein to the contrary, the Collateral shall not include any equity interests of any Subsidiary of the Grantor that is a controlled foreign corporation in excess of 65% of the voting power of all classes of equities of such Subsidiary.

3. Representations and Warranties. The Grantor hereby represents and warrants that:

3.1 Good Standing. The Grantor is a corporation, validly existing and in good standing under the laws of the jurisdiction of its organization and has the corporate power and authority and the legal right to own and operate its property, to lease the property it operates and to conduct the business in which it is currently engaged.

3.2 Corporate Power and Authority. The Grantor has the corporate power and authority and the legal right to execute and deliver, to perform its obligations under, and to grant the security interest in the Collateral pursuant to this Agreement and has taken all necessary corporate action to authorize its execution, delivery and performance of, and grant of the security interest in the Collateral pursuant to this Agreement.

3.3 Perfected Second Priority Liens. This Agreement constitutes a legal, valid and binding obligation of the Grantor, enforceable in accordance with its terms against all creditors of the Grantor and any Persons purporting to purchase any Collateral from the Grantor, except in each case as enforceability may be affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles and an implied covenant of good faith and fair dealing. The security interests granted pursuant to this Agreement (a) constitute perfected security interests in the Collateral in favor of the Bank, as collateral security for the Secured Obligations and (b) are prior to all other Liens on the Collateral in existence on the date hereof except as otherwise permitted pursuant to the Loan Agreement.

3.4 No Violation. The execution, delivery and performance of this Agreement will not violate any provision of any requirement of law or contractual obligation of the Grantor (except to the extent that any such violation would not reasonably be expected to have a material adverse effect) and will not result in the creation or imposition of any Lien on any of the properties or revenues of the Grantor pursuant to any requirement of law or contractual obligation of the Grantor, except the security interests created hereby.

3.5 No Consents Required. No consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Person and no consent of any other Person (including, without limitation, any stockholder or creditor of the Grantor), is required to be obtained or made by the Grantor, in connection with the execution, delivery, performance, validity or enforceability of this Agreement, other than any which have been obtained or made prior to the date hereof and remain in full force and effect.

3.6 No Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Person which could reasonably be expected to have a material adverse effect is pending or, to the knowledge of the Grantor, threatened by or against the Grantor or against any of its properties or revenues with respect to this Agreement or any of the transactions contemplated hereby that could reasonably be expected to result in a material adverse effect.

3.7 Title; No Other Liens. Except for the security interests granted to the Bank pursuant to this Agreement and the other Liens permitted to exist on the Collateral pursuant to the Loan Agreement, the Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Bank pursuant to this Agreement or as are permitted pursuant to the Loan Agreement.

3.8 Inventory and Equipment. All of the Grantor's Inventory and the Equipment are kept at the locations listed on Schedule 4.

3.9 Chief Executive Office. The Grantor's chief executive office is located at its address set forth under its signature below.

4. Covenants. The Grantor covenants and agrees with the Bank that, from and after the date of this Agreement until the Termination Date:

4.1 Maintenance of Property. The Grantor will keep the Equipment and Inventory in good working order and condition, normal maintenance and downtime excepted.

4.2 Inspection of Property; Books and Records; Discussions. The Grantor will keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all requirements of law shall be made of all dealings and transactions in relation to the Collateral. The Grantor will permit representatives of the Bank to visit and inspect any of the Grantor's properties where any of the Collateral or any of the Grantor's books and records relating to the Collateral are located and to inspect the Collateral and to examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the condition and operation of the Collateral with officers and key employees of the Grantor and with its independent certified public accountants.

4.3 Delivery of Instruments and Chattel Paper. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument or Chattel Paper, such Instrument or Chattel Paper shall be immediately delivered to the Bank, duly indorsed in a manner satisfactory to the Bank, to be held as Collateral pursuant to this Agreement.

4.4 Maintenance of Insurance. The Grantor will maintain insurance in accordance with any requirements set forth in the Loan Agreement.

4.5 Maintenance of Perfected Security Interest: Further Documentation.

(a) The Grantor shall maintain the security interests created by this Agreement as perfected security interests having at least the priority described in subsection 3.3 and shall defend such security interests against the claims and demands of all Persons whomsoever.

(b) At any time and from time to time, upon the written request of the Bank, and at the expense of the Grantor, the Grantor will promptly and duly execute and deliver such further instruments and documents and take such further actions as the Bank may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the security interests created hereby.

4.6 Changes in Locations, Name, etc. The Grantor will not, unless it shall have given the Bank at least 10 days prior written notice of such change:

(a) permit any of the Inventory (other than goods-in-transit and immaterial amounts of goods in temporary locations in the ordinary course of business) or Equipment to be kept at a location other than those listed on Schedule 4; or

(b) change the location of its chief executive office from that specified in subsection 3.9; or

(c) change its name, identity or corporate structure to such an extent that any financing statement filed by the Bank in connection with this Agreement would become seriously misleading, other than name changes expressly set forth on Schedule 4.6 to this Agreement.

4.7 Further Identification of Collateral. The Grantor will furnish to the Bank from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Bank may reasonably request, all in reasonable detail.

4.8 Payment of Obligations. The Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings, reserves in conformity with GAAP with respect thereto have been provided on the books of the Grantor and such proceedings do not involve any material danger of the sale, forfeiture or loss of any of the Collateral or any interest therein.

4.9 Limitation on Dispositions and Liens.

(a) The Grantor will not sell, transfer, lease or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so, except as permitted pursuant to the Loan Agreement.

(b) The Grantor will not create, incur or permit to exist any Lien or claim on or to the Collateral, other than the security interests created hereby and other than as permitted pursuant to the Loan Agreement.

4.10 Indemnification. The Grantor agrees to pay, and to hold the Bank harmless from, any and all liabilities, costs and expenses (including, without limitation, reasonable legal fees and expenses) with respect to the execution, delivery, enforcement, performance and administration of this Agreement ("indemnified liabilities"), provided that the Grantor shall have no obligation hereunder to the Bank with respect to indemnified liabilities arising from the gross negligence or willful misconduct of the Bank. The agreements in this subsection shall survive repayment of the Secured Obligations.

4.11 Notices. The Grantor will advise the Bank promptly, in reasonable detail, at its address provided in the Loan Agreement of (a) any Lien (other than security interests created hereby or Liens permitted under the Loan Agreement) on any of the Collateral and (b) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

5. Provisions Relating to Receivables.

5.1 Grantor Remains Liable under Receivables. Anything herein to the contrary notwithstanding, the Grantor shall remain liable under each of the Receivables to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Receivable. The Bank shall not have any obligation or liability under any Receivable (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Bank of any payment relating to such Receivable pursuant hereto, nor shall the Bank be obligated in any manner to perform any of the obligations of the Grantor under or pursuant to any Receivable (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Receivable (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

5.2 Analysis of Receivables. The Bank shall have the right to make test verifications of the Receivables in any manner and through any medium that it considers advisable, and the Grantor shall furnish all such assistance and information as the Bank may reasonably require in connection with such test verifications. At any time and from time to time, not more than once every calendar year, upon the Bank's request and at the expense of the Grantor, the Grantor shall cause independent public accountants or others satisfactory to the Bank to furnish to the Bank reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables. The Bank in its own name or in the name of others may during such time as an Event of Default shall have occurred and be continuing communicate with the obligors on the Receivables to verify with them to the Bank's satisfaction the existence, amount and terms of any Receivables.

5.3 Collections on Receivables.

(a) The Bank hereby authorizes the Grantor to collect the Receivables in accordance with its ordinary course of business; provided that, the Bank may curtail or terminate said authority at any time when an Event of Default has occurred and is continuing and may then direct that payments on the Receivables be made directly to the Bank in accordance with the provisions of subsection 9.1. If required by the Bank at any time when an Event of Default has occurred and is continuing, any payments of Receivables, when collected by the Grantor, (1) shall be forthwith (and, in any event, within two Business Days) deposited by the Grantor in the exact form received, duly indorsed by the Grantor to the Bank if required, in the Collateral Account, subject to withdrawal by the Bank only as provided in subsection 8.3, and (2) until so turned over, shall be held by the Grantor in trust for the Bank, segregated from other funds of the Grantor.

(b) Each such deposit of Proceeds of Receivables shall be accompanied by a report (in the form customarily prepared by the Grantor for its internal purposes) identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Bank's request at any time when an Event of Default has occurred and is continuing, the Grantor shall deliver to the Bank all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including, without limitation, all original orders, invoices and shipping receipts.

5.4 Additional Representations and Warranties.

(a) No amount payable to the Grantor under or in connection with any Receivable is evidenced by any Instrument or Chattel Paper which has not been delivered to the Bank.

(b) The amounts represented by the Grantor to the Bank from time to time as owing to the Grantor in respect of the Receivables will at such times be accurate in all material respects.

5.5 Covenants.

(a) Other than in the ordinary course of business, the Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable, (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof or (vi) fail to exercise promptly and diligently each and every material right which it may have under each agreement giving rise to a Receivable (other than any right of termination).

(b) The Grantor will deliver to the Bank a copy of each material demand, notice or document received by it that questions the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

6. Provisions Relating to Patents and Trademarks.

6.1 Representations and Warranties.

(a) Schedule 2 refers to, as of the date hereof, (i) all Patents owned by the Grantor in its own name, and (ii) all material Patent Licenses.

(b) Schedule 3 refers to, as of the date hereof, all Trademarks registered with Governmental Persons owned by the Grantor in its own name, and (ii) all material Trademark Licenses.

(c) To the best of the Grantor's knowledge, each Patent and Trademark is, on the date hereof, valid, subsisting, unexpired, enforceable and has not been abandoned, except where such condition would not reasonably be expected to have a material adverse effect.

(d) Except as set forth in either Schedule 2 or Schedule 3, none of such Patents and Trademarks is, on the date hereof, the subject of any exclusive licensing or franchise agreement.

(e) No holding, decision or judgment has been rendered by any Governmental Person which would limit, cancel or question the validity or enforceability of any Patent or Trademark in any respect that could reasonably be expected to have a material adverse effect.

(f) No action or proceeding is pending on the date hereof seeking to limit, cancel or question the validity of any Patent or Trademark which, if adversely determined, would have a material adverse effect on the value of any material Patent or Trademark.

6.2 Covenants.

(a) The Grantor (either itself or through licensees) will (1) maintain each material Trademark in full force free from any claim of abandonment for non-use, (2) maintain as in the past the quality of products and services offered under such Trademark, (3) employ such Trademark with the appropriate notice of registration and (4) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated.

(b) The Grantor will not knowingly do any act, or omit to do any act, whereby any material Patent may become abandoned or dedicated to the public.

(c) The Grantor will notify the Bank promptly if it knows that any application or registration relating to any material Patent or Trademark may become abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding the Grantor's ownership of any material Patent or Trademark or its right to register the same or to keep and maintain the same.

(d) Whenever the Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Patent or Trademark with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, the Grantor shall report such filing to the Bank within ten (10) Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Bank, the Grantor shall execute and deliver any and all additional agreements, instruments, documents, and papers as the Bank may reasonably request to evidence the Bank's security interest in any such Patent or Trademark and the goodwill and general intangibles of the Grantor relating thereto or represented thereby

(e) The Grantor will take all necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each material application (and to obtain the relevant registration) and to maintain each

registration of the material Patents and Trademarks, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(f) In the event that the Grantor becomes aware that any material Patent or Trademark is infringed, misappropriated or diluted by a third party, the Grantor affected thereby shall (i) take such actions as the Grantor shall reasonably deem appropriate under the circumstances, in accordance with its reasonable business judgement to protect such Patent or Trademark and (ii) if such Patent or Trademark is of material economic value, promptly notify the Bank after it learns of any such infringement, misappropriation or dilution and where appropriate, in accordance with its reasonable business judgment, sue for infringement, misappropriation or dilution, to seek injunctive relief and to recover any and all damages for such infringement, misappropriation or dilution.

7. Copyrights.

7.1 Representations and Warranties.

(a) Schedule 1 refers to, as of the date hereof, (i) all material Copyright registrations and applications filed with a Governmental Person owned by the Grantor in its own name, and (ii) all material Copyright Licenses.

(b) To the best of the Grantor's knowledge, each material Copyright is on the date hereof valid, subsisting, unexpired, enforceable and has not been abandoned.

(c) Except as set forth in Schedule 1, none of such Copyrights is on the date hereof the subject of any exclusive licensing or franchise agreement.

(d) No holding, decision or judgment has been rendered by any Governmental Person which would limit, cancel or question the validity of any Copyright in any respect that could reasonably be expected to have a material adverse effect.

(e) No action or proceeding is pending on the date hereof seeking to cancel or question the validity of any Copyright which, if adversely determined, would have a material adverse effect.

7.2 Covenants.

(a) The Grantor (either itself or through licensees) will (i) employ the appropriate notice of copyright for each published work subject to copyright protection to the extent necessary to protect any registered material Copyright relating to such work and (ii) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material Copyright may become invalidated.

(b) The Grantor will not knowingly (either itself or through licensees) do any act, or omit to do any act, whereby any material Copyright may become injected into the public domain.

(c) The Grantor will notify the Bank promptly if it knows, or has reason to know, that any material Copyright may become injected into the public domain or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any court or tribunal in the United States or any political subdivision thereof) regarding the Grantor's ownership of any such material Copyright or its validity.

(d) Whenever the Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Copyright with the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, the Grantor shall report such filing to the Bank within ten (10) Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Bank, the Grantor shall execute and deliver any and all additional agreements, instruments, documents, and papers as the Bank may reasonably request to confirm the Bank's security interest, lien or charge in such Copyright, and the Grantor hereby constitutes the Bank its attorney-in-fact to file all such writings for the foregoing purposes, all lawful acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Termination Date.

(e) The Grantor will take all necessary steps, as it shall deem appropriate under the circumstances, in accordance with its reasonable business judgment, to maintain and pursue each application filed (and to obtain the relevant registration) and to maintain to the extent permitted by law each registration of each material Copyright owned by the Grantor including, without limitation, filing of applications for renewal, where necessary.

(f) The Grantor will promptly notify the Bank of any material infringement of any material Copyright owned by it of which it becomes aware and will take such actions as it shall reasonably deem appropriate, under the circumstances to protect such Copyright, including, where appropriate in accordance with its reasonable business judgment, the bringing of suit or the settling of actual or potential suits for infringement, seeking injunctive relief and seeking to recover any and all damages for such infringement.

8. Remedies.

8.1 Notice to Obligors. Upon the request of the Bank at any time when an Event of Default has occurred and is continuing, the Grantor shall notify obligors on the Receivables that the Receivables have been assigned to the Bank and that payments in respect thereof shall be made directly to the Bank.

8.2 Proceeds to be Turned Over To Bank. In addition to the rights of the Bank specified in subsection 5.3 with respect to payments of Receivables, when an Event of Default has occurred and is continuing, all Proceeds received by the Grantor consisting of cash, checks and other near-cash items shall be held by the Grantor in trust for the Bank, segregated from other funds of the Grantor, and shall, forthwith upon receipt by the Grantor, be turned over to the Bank in the exact form received by the Grantor (duly indorsed by the Grantor to the Bank, if required) and held by the Bank in the Collateral Account. All Proceeds while held by the Bank in the Collateral Account (or by the Grantor in trust for the Bank) shall continue to be held as

collateral security for all the Secured Obligations and shall not constitute payment thereof until applied as provided in subsection 8.3.

8.3 Application of Proceeds. At such intervals as may be agreed upon by the Grantor and the Bank, or, if an Event of Default has occurred and is continuing, at any time at the Bank's election, the Bank may apply all or any part of Proceeds held in any Collateral Account in payment of the Secured Obligations in such order (subject to the terms of the Borrower Security Agreement) as the Bank may elect, and any part of such funds which the Bank elects not so to apply and deems not required as collateral security for the Secured Obligations shall be paid over from time to time by the Bank to the Grantor or to whomsoever may be lawfully entitled to receive the same. Any balance of such Proceeds when no Event of Default is continuing shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive the same. Any balance of such Proceeds remaining after the Secured Obligations shall have been paid in full shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive the same.

8.4 Code Remedies. If an Event of Default has occurred and is continuing, the Bank may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, if an Event of Default has occurred and is continuing, the Bank, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Bank or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Bank shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Grantor, which right or equity is hereby waived or released. The Grantor further agrees, if an Event of Default has occurred and is continuing, at the Bank's request, to assemble the Collateral and make it available to the Bank at places which the Bank shall reasonably select, whether at the Grantor's premises or elsewhere. To the extent permitted by applicable law, the Grantor waives all claims, damages and demands it may acquire against the Bank arising out of the exercise by it of any rights hereunder, except for bad faith, willful misconduct and gross negligence. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

9. Bank's Appointment as Attorney-in-Fact; Bank's Performance of Grantor's Obligations.

9.1 Powers. The Grantor hereby irrevocably constitutes and appoints the Bank and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Grantor and in the name of the Grantor or in its own name, for the purpose of carrying out the terms of this Agreement to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Grantor hereby gives the Bank the power and right, on behalf of the Grantor, without notice to or assent by the Grantor, to do any or all of the following:

(a) at any time when an Event of Default has occurred and is continuing, in the name of the Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, Note, acceptances or other instruments for the payment of moneys due under any Receivable or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Bank for the purpose of collecting any and all such moneys due under any Receivable or with respect to any other Collateral whenever payable;

(b) in the case of any Copyright, Patent or Trademark, execute and deliver any and all agreements, instruments, documents and papers as the Bank may request to evidence the Bank's security interests in such Copyright, Patent or Trademark and the goodwill and general intangibles of the Grantor relating thereto or represented thereby;

(c) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(d) execute, in connection with any sale provided for in subsection 8.4, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(e) at any time when an Event of Default has occurred and is continuing, (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Bank or as the Bank shall direct; (2) ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against the Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, to give such discharges or releases on commercially reasonable terms as the Bank may deem

appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world, as the Bank shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Bank were the absolute owner thereof for all purposes, and do, at the Bank's option and at the expense of the Grantor, at any time, or from time to time, all acts and things on commercially reasonable terms which the Bank deems necessary to protect, preserve or realize upon the Collateral and the Bank's security interest therein and to effect the intent of this Agreement, all as fully and effectively as the Grantor might do.

9.2 Performance by Bank of Grantor's Obligations.

If the Grantor fails to perform or comply with any of its agreements contained herein, the Bank, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

9.3 Grantor's Reimbursement Obligation. The expenses of the Bank incurred in connection with actions undertaken as provided in this Section, together with interest thereon at a rate equal to the rate per annum at which interest would then be payable if the Loan is past due under the Loan Agreement, from the date of payment by the Bank, to the date reimbursed by the Grantor, shall be payable by the Grantor to the Bank on demand.

9.4 Ratification; Power Coupled With An Interest. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof in accordance with the terms of this Agreement. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

10. Duty of Bank. The Bank's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Code or otherwise, shall be to deal with it in the same manner as the Bank deals with similar property for its own account. Neither the Bank, nor any of its officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Bank hereunder are solely to protect the Bank's interests in the Collateral and shall not impose any duty upon the Bank to exercise any such powers. The Bank shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

11. Execution of Financing Statements. Pursuant to Section 9-402 of the Code, the Grantor authorizes the Bank to file financing statements with respect to the Collateral without the signature of the Grantor affected thereby in such form and in such filing offices as the Bank reasonably determines appropriate to perfect the security interests of the Bank under this Agreement; provided that the Bank provides the Grantor with a copy of any such filing. A

carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

12. Notices. All notices, requests and demands to or upon the Bank or the Grantor to be effective shall be in writing (including by facsimile transmission) and shall be deemed to have been duly made or given or made (a) in the case of delivery by hand, when delivered, (b) in the case of delivery by mail, three days after being deposited in the mails, postage prepaid, or (c) in the case of delivery by facsimile transmission, when sent and receipt has been confirmed addressed as follows:

(A) if to the Bank, at its address or transmission number for notices provided in the Loan Agreement; and

(B) if to the Grantor, at its address or transmission number for notices set forth under its signature below.

13. Severability. 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, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. Amendments in Writing; No Waiver; Cumulative Remedies.

14.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Grantor and the Bank, provided that any provision of this Agreement imposing obligations on the Grantor may be waived by the Bank in a written instrument executed by the Bank.

14.2 No Waiver by Course of Conduct. The Bank shall not by any act (except by a written instrument pursuant to subsection 14.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Bank, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Bank of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Bank would otherwise have on any future occasion.

14.3 Remedies Cumulative. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

15. Section Headings. The Section and subsection headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

16. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Grantor and shall inure to the benefit of the Bank and its successors and assigns.

17. **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

ESC MEDICAL SYSTEMS INC.



By: _____

Name: Sagi Genger

Title: Director

Address for Notices:

100 Morse Street
Norwood, MA 02062

COPYRIGHTS AND COPYRIGHT LICENSES

COPYRIGHTS:

NONE

COPYRIGHT LICENSES:

NONE

PATENTS AND PATENT LICENSES

U.S. PATENTS AND PATENT LICENSES

PATENTS:

Patent No.	Title
5,037,421	Mid-Infrared Laser Arthroscopic Procedure
5,132,980	Method and Device for Preconditioning a Laser Having a Solid Gain Medium
B5,147,354	Mid-Infrared Laser Endoscope
5,062,842	Isotopic CO2 Laser and Method of use for Medical Treatment
5,257,989	Contact Laser Delivery Probe
5,300,066	Contact Laser Delivery System
5,296,961	Dichroic Optical Filter
5,341,238	Dichroic Optical Filter
5,171,242	Combination Lens System for Retinal Photocoagulation Laser System
5,136,676	Coupler for a Laser Delivery System
5,166,513	Dual Actuation Photoelectric Foot Switch
5,312,398	Apparatus for Delivering a Laser Beam
5,254,114	Medical Laser Delivery System with Internally Reflecting Probe and Method
5,280,536	Method and Apparatus for Supplying Pulsed Power To an Ophthalmic Laser System
5,327,442	Solid State Laser with Dual Cooling Loops
5,257,992	Micromanipulator Apparatus for Surgical Laser
5,304,174	Micromanipulator Apparatus for Surgical Laser

Patent No.	Title
5,360,447	Laser Assisted Hair Transplant Method
5,548,352	Anti-Astigmatic Ophthalmic Contact Lens for Use in Performing Laser Surgery
5,304,172	Fiber Optic Probe
D341200	Design Patent for Fiber Optic Probe
5,321,715	Laser Pulse Format for Penetrating an Absorbing Fluid
5,454,808	Surgical Laser Handpiece for Slit Incisions
5,558,667	Method and Apparatus for Treating Vascular Lesions
5,754,573	Method and Apparatus for Treating Vascular Lesions
5,911,718	Method and Apparatus for Treating Vascular Lesions
5,395,360	Damage Resistant Sterilizable Fiber Optic Probe Assembly
5,558,666	Handpiece for Producing Highly Collimated Laser Beam for Dermatological Procedures
5,531,739	Method of Treating Veins
5,578,029	Method of Treating Veins
5,522,813	Method of Treating Veins
5,772,657	Side Firing Fiber Optic Laser Probe
6,026,112	Delivery System for High Power Multi-Wavelength Laser Systems
5,743,902	Hand-Held Laser Scanner
5,957,915	Hand-Held Laser Scanner
5,634,737	Coupler for Attaching an Articulated Arm to a Laser
5,642,370	High Repetition Rate Erbium:YAG Laser for Tissue Ablation
6,096,031	High Repetition Rate Erbium:YAG Laser for Tissue Ablation

Patent No.	Title
5,644,585	High Repetition Rate Erbium:YAG Laser for Tissue Ablation
5,640,412	Prism Folded Laser Cavity with Controlled Intracavity Beam Polarization
5,661,737	Multi-Wavelength Laser Beam Detector with Refractive Element
5,852,626	Geometry for Cylindrical Shaped Laser System Gain Medium
6,024,751	Method and Apparatus for Transurethral Resection of the Prostate
6,156,049	Method and Apparatus for Transurethral Resection of the Prostate
5,928,221	Fluence Monitoring Method for Laser Treatment of Biological Tissue
6,120,498	Aspirating Handpieces for Laser Surgical Operations
6,130,900	Pulsed Intracavity Frequency-Converted Solid-State Laser with Long-Pulse Simulation
5,527,350	Pulsed Infrared Laser Treatment of Psoriasis
5,707,403	Method for the Laser Treatment of Subsurface Blood Vessels
4,393,506	Sealed-Off RF Excited CO2 Lasers and Method of Manufacturing Such Lasers
4,652,083	Hollow Waveguide
4,688,893	Hollow Waveguide Having Plural Layer Dielectric
5,336,216	Apparatus for Delivering a Defocused Laser Beam Having a Sharp-Edged Cross-Section
5,375,132	Solid State Laser with Interleaved Output
5,659,563	Solid State Laser with Relay Optics

Patent No.	Title
5,718,574	Liquid Circulation System for Cooling a Laser Head
5,729,643	Tapered Composite Optical Fiber and Method of Making the Same
5,999,555	Apparatus for Combining Laser Beams
6,115,396	Control System for a Laser with Multiple Solid State Rods
5,625,638	Sealed Crystalline Windows for Hollow Laser Fibers
6,135,995	Electronically Pulsed Laser System
5,848,081	Insulated Water Cooled Gain Medium Assembly for a Laser System
5,743,901	High Fluence Laser Device and Method for the Fabrication and Use Thereof
6,193,711	Rapid Pulsed Er:YAG Laser
4,736,744	Laser Coagulation System
4,759,360	Laser Coagulation System
4,776,335	Laser Spot Projector
5,425,729	Laser Coagulation System

Pending Applications:

Patent Application No.	Title
09/354927	Hand-Held Scanner
09/592324	High Repetition Rate Erbium:YAG Laser for Tissue Ablation
09/315894	Fluence monitoring Method for Laser Treatment of Biological Tissue
09/538787	Dual-Wavelength Laser-Treatment of Vascular Disorders
09/415575	Automatic Firing Apparatus and Method for Laser Skin Treatment over Large Areas
09/550096	Zoom Handpiece for Laser Surgery
09/664193	Method of Detecting Coagulation in Laser Treatment of Blood Vessels
09/655535	Frequency Doubled Nd:YAG with Yellow Light Output
09/663987	Method of Treating Hypotrophic Scars and Enlarged Pores
09/615493	Method and Apparatus for Providing a Uniform Beam From a Laser Light Source
09/669703	Fiber Management Package
09/765,183	Handpiece for Projecting Laser Radiation Received via an Optical Fiber
09/439919	Laser System and Method for Actively Stabilized Multiple Harmonic Output
09/478728	Adjustable Rigid Laser Mirror Mount
09/492025	Solid-State Laser with Composite Prismatic Gain-Region
09/371637	Asymmetrical Laser-Resonator Having Solid-State Gain-Medium Symmetrically Filled by Resonator-Mode
09/602442	Power Monitoring Arrangement for Broken Fiber Detector
09/526149	Method for Finishing Laser Drilled Quartz and Fused Silica
09/814,443	Scanning Laser Handpiece with Shaped Output Beam
09/814,445	Scanning Laser Handpiece with Shaped Output Beam
09/815,467	Handpiece for Projecting Laser Radiation in Spots of Different Color and Size
60/276,713	Side Firing Needle
60/276,715	Self Terminating MRI Agent
App. #. not assigned. EL816893413US	Wavelength Agile Solid State Laser

App. #. not assigned.

EL816895357US

App. #. not assigned.

EL816895365US

PATENT LICENSES:

License Agreement between The General Hospital Corporation and Coherent Medical dated August 27, 1996 (Latina/Selecta). **(patent license for 1 US patent)**

License Agreement, dated November 1, 1994, between Coherent Medical Group, a division of Coherent, Inc. and Pillco Limited Partnership. **(patent license for 4 US patents)**

License Agreement, dated August 1996, between Coherent, Inc. and Cool Laser Optics, Inc. **(patent license for 2 US patents)**

Patent License Agreement, dated as of December 7, 1998, by and among Palomar Medical Technologies, Inc., a Delaware corporation, Star Medical Technologies, Inc., a California corporation, and Coherent, Inc., a Delaware corporation.

License Agreement between Coherent and Trimedyne, Inc. dated December 9, 1994 and September 16, 1998. **(patent license for 2 US patents)**

License Agreement between [Coherent, Inc.] and [ESC Medical Systems, Inc.] dated [] for the use of U.S. patent numbers 5,333,090, 5,394,501 and 5,835,518 (with foreign rights under JP 523996/98 and EP 98904693.3).

MISCELLANEOUS LICENSES:

Development and License Agreement dated January 28, 2001, between Mendizinisches Laserzentrum Lubeck GmbH and Coherent Medical Group, a division of Coherent, Inc., a Delaware corporation.

Agreement on Exploitation, dated January 28, 2001, by and between Coherent Medical Group, a division of Coherent, Inc., a Delaware corporation and Prof. Dr. Reginald Birngruber, an individual.

Research Agreement, effective as of September 1, 1993, by and between Massachusetts Eye and Ear Infirmary and Coherent, Inc.

TRADEMARKS AND TRADEMARK LICENSES

U.S. TRADEMARKS AND TRADEMARK LICENSES

TRADEMARKS:

<i>Mark</i>	<i>App. No.</i>	<i>App. Date</i>	<i>Reg. No.</i>	<i>Reg. Date</i>
INFRATOME	74/043657	29-Mar-90	1632257	22-Jan-91
NOVUS	75/259489	18-Mar-97	2137395	17-Feb-98
NOVUS 2000	74/052140	23-Apr-90	1633895	05-Feb-91
ULTIMA	253698	09-Mar-92	1759712	23-Mar-93
ULTRAFINE	75/351555	04-Sep-97	2283847	05-Oct-99
ULTRAPULSE	74/108037	22-Oct-90	1726659	20-Oct-92
VERSAPULSE	197683	23-Aug-91	1761204	30-Mar-93

U.S. TRADEMARKS AND TRADEMARK LICENSES

TRADEMARK LICENSES:

NONE

INVENTORY AND EQUIPMENT LOCATION

NONE

Lumenis Inc.