

05-10-2005



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

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

1. Name of conveying party(ies)

PHOTOVAC, INC.

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

3. Nature of conveyance/Execution Date(s):

Execution Date(s):

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Joint Research Agreement
☐ Government Interest Assignment
☐ Executive Order 9424, Confirmatory License
☐ Other

2. Name and address of receiving party(ies)

Name: Massachusetts Business Development

Internal Address: Corporation

Suite 555

Street Address: 500 Edgewater Drive

City: Wakefield

State: MA

Country: USA Zip: 01880

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

4. Application or patent number(s):

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

A. Patent Application No.(s)

B. Patent No.(s)

5,983,703 5,950,674 5,197,192
5,176,359 5,083,742

Additional numbers attached? ☐ Yes ☒ No

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

Name: John P. McGonagle

Internal Address:

Street Address: 800 Hingham St. - 2N

City: Rockland

State: MA Zip: 02370

Phone Number: 781-871-4000

Fax Number: 781-871-6886

Email Address: john@mcgonaglelaw.com

9. Signature:

John P. McGonagle Signature

Name of Person Signing

6. Total number of applications and patents involved: 5

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 200

- ☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☒ Enclosed
☐ None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers 00000011
Expiration Date 05/05/2005

b. Deposit Account Number

Authorized User Name

Date 05/05/2005

Total number of pages including cover sheet, attachments, and documents: 7

05/09/2005 BYRME 00000011 5903703

01 FC:802.1

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

PATENT
REEL: 016522 FRAME: 0386

SECURITY AGREEMENT

AGREEMENT made as of the 4th day of May, 2005, by and between PHOTOVAC, INC. f/k/a THE CARLISLE GROUP INSTRUMENTS, INC. a/k/a THE CARLISLE GROUP INSTRUMENTS, LLC (herein the "Debtor") with a mailing address of 300 Second Avenue, Waltham, Massachusetts 02451, and MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION, having a usual place of business at 500 Edgewater Drive, Suite 555, Wakefield, Massachusetts 01880 (herein, the "Secured Party").

WITNESSETH:

In consideration of One Dollar (\$1.00), the extensions of credit granted to Debtor by Secured Party, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor and Secured Party hereby agree as follows:

1. As used herein, the following words shall have the following meanings:

(a) Collateral: all assets of the Debtor wherever located, including, without limitation, all accounts; accounts receivable; inventory; contract rights; patents (including U.S. Patent Nos. 5,983,703; 5,950,674; 5,197,192; 5,176,359; and 5,083,742), trademarks, intellectual property, general tangibles; health care insurance receivables; franchise agreements; investment property; payment intangibles; commercial tort claims; equipment; farm products; leasehold improvements; goods; chattel paper; fixtures; assets; books; records; and information relating to or used in connection with the Debtor's business and all rights of access to such assets, books, records and information, all whether now owned or in which the Debtor has an interest or hereafter acquired, or in which the Debtor obtains an interest and the products, proceeds, accessions, additions and substitutions of the foregoing. Proceeds include, without limitation, insurance proceeds on each type of property described herein. Each of the terms utilized herein to describe assets of the Debtor that are defined by the Uniform Commercial Code in effect from time to time shall include, without limitation, the assets of Debtor described in such definitions.

(b) Obligations: (i) the obligations of Debtor to Secured Party under that certain Promissory Note (the "Note") in the original principal amount of Five Hundred Thousand and 00/100 (\$500,000.00) Dollars; (ii) all obligations and expenses of Secured Party hereunder, including reasonable legal fees incurred in connection with collection of the items of indebtedness hereby secured and all interest, fees, and expenses payable by Debtor hereunder; and (iii) all other obligations of the Debtor to the Secured Party, now existing or hereafter arising.

(c) Debtor Location: 300 Second Avenue, Waltham, Massachusetts.

2. Debtor grants to Secured Party a security interest in all of the Collateral, which security interest is to secure the payment and performance of all of the Obligations.

3. Debtor hereby warrants, represents, covenants and agrees as follows:

(a) The execution, delivery and performance of this Security Agreement are within Debtor's powers, have been duly authorized, are not in contravention of law or the terms of Debtor's formation or organizational documents or any indenture, agreement or undertaking to which Debtor is a party or by which it is bound.

(b) Debtor shall after reasonable notice and at all reasonable times and from time to time allow Secured Party, by or through any of its officers, agents, attorneys or accountants, to examine or inspect the Collateral wherever located. Debtor shall do, make, execute and deliver all such additional and further reasonable acts, things, deeds, assurances and instruments as Secured Party may require to protect its rights hereunder and in or to the Collateral.

(c) Debtor shall have and maintain insurance at all times with respect to all Collateral against risks of fire (including so-called extended coverage), theft, sprinkler leakage and other risks as Secured Party may require, in such form, for such periods and written by such companies as may be satisfactory to Secured Party, such insurance to be payable to and adjustable with Secured Party as its interest may appear. All policies of insurance shall provide for not less than thirty (30) days' written minimum cancellation notice to Secured Party.

4. Debtor, at the request of the Secured Party, will join with Secured Party in executing one or more Financing Statements pursuant to the Uniform Commercial Code. Secured Party is authorized by Debtor to file financing statements, amendments thereto, and continuation statements therefor, with respect to this Security Agreement without the signature of Debtor wherever such filing is permitted by law.

5. Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions:

(a) Default (after any applicable notice or grace period) existing under any of the Obligations, including, without limitation, in the payment or performance of any obligation, covenant or liability contained or referred to herein or in the Obligations or any note or document evidencing the same;

(b) Loss, theft, substantial damage, destruction, sale of any of the Collateral (outside the ordinary course of business), or the making of any levy, seizure or attachment thereof or thereon; or

(c) Intentionally Deleted.

(d) The loan (the "Loan") evidenced by the Note and secured by this lien was made under a United States Small Business Administration (the "SBA") nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this security Agreement, then under SBA regulations:

- (i) When the SBA is the holder of the Note, this document and all documents evidencing or securing the Loan will be construed in accordance with federal law.
- (ii) Lender or the SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Debtor or guarantor may claim or assert against SBA any local or state law to deny any obligation of Debtor, or defeat any claim of SBA with respect to the Loan.

Any clause in this document requiring arbitration is not enforceable when the SBA is the holder of the Note secured by this instrument.

6. Upon a default of Debtor hereunder or under the Obligations, and at any time thereafter, Secured Party shall have the rights and remedies of a secured party under the Uniform Commercial Code in addition to the rights and remedies provided herein or in any other instrument or paper executed by Debtor. Secured Party may, in its discretion, after default terminate, on written notice to Debtor, Debtor's authority to sell, lease, otherwise transfer, manufacture, process or assemble, or furnish under contracts of service, inventory Collateral, or any other Collateral as to which such permission has been given; require Debtor to give possession or control of the Collateral to Secured Party; sell, transfer or otherwise realize upon any of the Collateral to satisfy the Obligations; endorse as Debtor's agent any instruments or chattel paper in the Collateral; notify account debtors or obligors on instruments to make payment directly to Secured Party; contact account debtors directly to verify information furnished by Debtor; take control of proceeds and use cash proceeds to reduce any part of the Obligations; take any action Debtor is required to take or is otherwise necessary or advisable for Secured Party to obtain, preserve, and enforce the security interest granted in this Security Agreement, and maintain and preserve the Collateral, without notice to Debtor, and add costs of same to the Obligations (but Secured Party is under no duty to take any such action); take control of funds generated by the Collateral, such as dividends, interest, and proceeds or refunds from insurance, and use same to reduce any part of the Obligations; vote any stock which is part of the Collateral, and exercise all other rights which an owner of such stock may exercise; waive any of its rights hereunder without such waiver prohibiting the later exercise of the same or similar rights; revoke any permission or waiver previously granted to Debtor. Secured Party shall have the right at all times after the occurrence of a default hereunder, and after the expiration of all applicable grace or cure periods to enter, with or without legal process and without being deemed guilty of any manner of trespass, any premises where the Collateral may be found, to take possession of the Collateral and to maintain such possession where the Collateral is located or to remove the Collateral or any part thereof to such other places as Secured Party may desire. Debtor agrees not to resist or interfere with any such action by Secured Party. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be

designated by Secured Party. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if such notice is mailed by certified mail, postage prepaid, or delivered to a nationally recognized overnight carrier addressed to Debtor at its address specified herein at least ten (10) days before the time of the sale or disposition. Expenses of retaking, holding, selling and the like shall include reasonable attorney's fees and expenses. The proceeds of any transfer, sale or sales of the Collateral by Secured Party, shall be received and applied; first, to the actual out-of-pocket costs and expenses of every kind incurred in connection with collection, recovery, receipt, appropriation, realization or sale, or incidental to the care, safekeeping or otherwise, of any and all of the Collateral or in any way relating to the rights and remedies of Secured Party hereunder, including reasonable attorneys' fees and legal expenses; second, to the payment of the Obligations secured hereby until fully paid; and third, to the payment of any other amounts required or permitted by applicable law; after which Secured Party shall account to Debtor for the surplus proceeds, if any, provided, however, that the aforementioned order of priority in respect of the application of proceeds shall not be binding upon Secured Party for purposes of its internal accounting practices and procedures. If the proceeds of any collection, recovery, receipt, appropriation, realization of sale pursuant to this Security Agreement are insufficient to pay all amounts due to Secured Party by Debtor, Debtor shall remain liable for the deficiency.

7. Debtor shall pay to Secured Party on demand any and all expenses, including but not limited to, all reasonable attorneys' fees and expenses (whether or not any legal action or proceeding is commenced), incurred by Secured Party to obtain or enforce any of the Obligations, including without limiting the generality of the foregoing, any counsel fees or expenses incurred in any bankruptcy or insolvency proceedings.

8. With respect to both the Obligations and the Collateral, the Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Secured Party may deem advisable. The Secured Party may exercise its rights with respect to the Collateral without resorting or regard to other collateral or sources of reimbursement for liability. All rights and remedies of the Secured Party on the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly or concurrently. Secured Party shall not be deemed to have waived any of Secured Party's rights hereunder or under any other agreement, instrument or paper signed by Debtor unless such waiver shall be in writing and signed by Secured Party. No delay or omission on the part of the Secured Party in exercising any right shall operate as waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. Debtor agrees that Secured Party is not and shall not be obligated to exercise any particular right or remedy prior to the exercise of any

other right or remedy. Any demand upon, or notice to Debtor that Secured Party may elect to give shall be effective three (3) days after mailing if mailed by certified mail, postage prepaid, or the day after said notice has been delivered to a nationally recognized overnight carrier addressed to Debtor at its address specified herein. If at any time or times, by assignment or otherwise, Secured Party assigns or transfers any Obligations and Collateral or other security therefor, such assignment or transfer shall carry with it Secured Party's powers and rights under this Security Agreement with respect to the Obligations and Collateral which shall be enforceable by such assignee or other representatives, receivers, trustees and assigns of the parties. This Security Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective heirs, successors and permitted assigns. Debtor may not assign either this Security Agreement or Obligations or any of its rights, interests, or obligations hereunder or thereunder without the prior written approval of Secured Party, which approval, the Secured Party may grant or withhold at its sole discretion.

9. Debtor submits to the jurisdiction of any state or federal court sitting in the Commonwealth of Massachusetts in any action or proceeding arising out of or relating to this Security Agreement or any of the Obligations and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Debtor waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought. Each of the parties hereto does hereby waive trial by jury and the right to trial by jury in any action or proceeding, of any kind or nature, in any court, whether arising out of, under or by reason of this Security Agreement or any transaction hereunder, or by reason of any other cause or dispute whatever between them, of any kind or nature.

10. Neither Debtor nor Secured Party shall be bound by any undertaking not expressed in writing. This Security Agreement, all amendments hereto, all supplements hereof, and all acts, transactions, agreements, certificates, assignments and transfers hereunder, and all rights of the parties hereto, shall be governed as to their validity, enforcement, construction and effect, and in all other respects, by the law of The Commonwealth of Massachusetts, without giving effect to any choice or conflict of law provision or rule (whether of The Commonwealth of Massachusetts or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than The Commonwealth of Massachusetts. This Security Agreement shall become effective when executed by Debtor.

11. It is further understood and agreed by the parties hereto that if any of the provisions of this Security Agreement shall contravene, or be invalid under, the laws of the particular state, country or jurisdiction where used, such contravention or invalidity shall not invalidate the whole agreement, but it shall be construed (to the extent of such contravention or invalidity) as if not containing the particular provision in such state, country or jurisdiction, and the rights and obligations of the parties shall be construed and enforced accordingly.

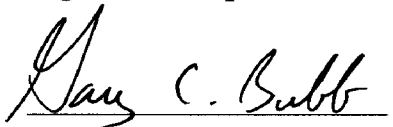
12. Upon the payment of Debtor's Obligations hereunder to Secured Party, this Security Agreement and the security interest created hereby shall terminate and all rights

to the Collateral shall revert to the Debtor. The Secured Party will, upon the Debtor's request and at the Debtor's expense, (i) return to the Debtor such of the Collateral as shall not have been sold or otherwise disposed of or applied pursuant to the terms hereof; and (ii) execute and deliver to the Debtor such documents as the Debtor shall reasonably request to evidence such termination.

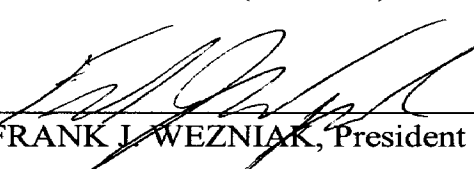
13. This Security Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Debtor further agrees to execute and deliver to the Secured Party any instrument or instruments necessary, proper, or convenient to the Secured Party, as determined by Secured Party, to carry into effect the terms, provisions and conditions of this Security Agreement.

Executed on the day and year first above written as an instrument under seal.

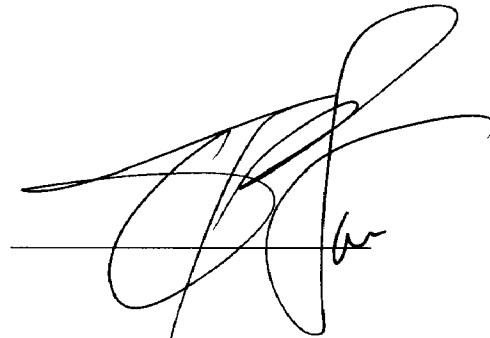
Signed in the presence of:



PHOTOVAC, INC. ("Debtor")

By 

FRANK J. WEZNIAK, President and Treasurer



MASSACHUSETTS BUSINESS DEVELOPMENT
CORPORATION

By Carol F. Cipriane

Print Name: CAROL F CIPRIANE

Title: Vice President
