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Form PTO-1595 (Rev. 07/05)
OMB No. 0651-0027 (exp. 6/30/2008)U.S. DEPARTMENT OF COMMERCE
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PATENTS ONLY

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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)

Icon Textile Laser Systems, Inc.

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

Internal Address: _____

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No**3. Nature of conveyance/Execution Date(s):**Execution Date(s) December 31, 2004☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ Joint Research Agreement☐ Government Interest Assignment☐ Executive Order 9424, Confirmatory License☐ Other _____Street Address: 4560 East 50th StreetCity: VernonState: CACountry: U.S.A. Zip: 90058Additional 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)

10 759,476

10 757,678

B. Patent No.(s)

Additional numbers attached? ☐ Yes ☒ No**5. Name and address to whom correspondence concerning document should be mailed:**Name: George P. Latos

Internal Address: _____

Street Address: 4560 East 50th StreetCity: VernonState: CAZip: 90058Phone Number: 800-929-5166Fax Number: 323-585-5790Email Address: latos@cox.net**6. Total number of applications and patents involved: 2****7. Total fee (37 CFR 1.21(h) & 3.41) \$80.00**☐ 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 _____

Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

Signature

11/8/05

Date

11/15/2005 DBYRNE 00000136 10759476

Jack R. Lenack, Esq.

Name of Person Signing

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

11

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450PATENT
REEL: 017220 FRAME: 0549

SECURITY AGREEMENT

ICON TEXTILE LASER SYSTEMS, INC.

This Security Agreement is made and entered into as of the 31st day of December 2004 by and between George P. Latos ("Secured Party"), whose address is 4560 East 50th Street, Vernon, California 90058, and Icon Textile Laser Systems, Inc., a Delaware corporation ("Debtor"), whose address is 4560 East 50th Street, Vernon, California 90058.

1. Common Definitions

As used in this Security Agreement:

"Collateral" means all right, title, and interest of Debtor now owned or hereafter acquired in and to the property described in Section 4 hereof.

"Lien" means any security interest, mortgage, pledge, lien, attachment, claim, charge, encumbrance, agreement retaining title, or lessor's interest covering the Collateral.

"Obligations" means all obligations of Debtor to Secured Party under that certain Secured Promissory Note, dated December 31st, 2004 (the "Note"), and attorney fees and costs incurred by Secured Party in enforcing this Security Agreement or collecting payment under it.

"Security Agreement" means this agreement entered into by and between Secured Party and Debtor.

2. Definitions Related to Type of Collateral

"California Commercial Code" means the Uniform Commercial Code as may, from time to time, be enacted and in effect in the State of California.

"Chattel Paper" means any chattel paper, as such term is defined in section 9102(a)(11) of the California Commercial Code, now owned or hereafter acquired by any person, wherever located.

"Documents" means any documents, as that term is defined in section 9102(a)(30) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located.

"Equipment" means all equipment, as that term is defined in section 9102(a)(33) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including all of Debtor's materials handling equipment, manufacturing equipment, processing equipment, engineering equipment, machine tools, data processing and computer equipment with software and peripheral equipment, office machinery, furniture, tools, attachments, accessories, and other equipment of every kind and nature, trade fixtures and other fixtures, together with all additions and accessions, replacements, parts, substitutes for any of the foregoing, fuel, and all manuals, drawings, instructions, warranties, and rights with respect to the foregoing, and all products and proceeds of the foregoing and condemnation awards and insurance proceeds with respect thereto.

"General Intangibles" means all general intangibles, as that term is defined in section 9102(a)(42) of the California Commercial Code, now owned or hereafter acquired by Debtor, including all right, title, and interest that Debtor may now or hereafter have in or under any Contracts; interests in partnerships, joint ventures, limited partnerships, and other business associations; permits; inventions (whether or not patented or patentable) including, but not limited to, that certain invention identified as "optical effects for application on textiles," knowledge, know-how, skill, expertise, or experience; software; databases; data; processes; designs, patterns, models, drawings, materials, and records; goodwill; all rights and claims in or under insurance policies (including insurance for fire, damage, loss, and casualty, whether covering personal property, real property, tangible rights, or intangible rights, all liability, life, key man, and business interruption insurance, and all unearned premiums); uncertificated and certificated securities; choses in action; deposit, checking, and other bank accounts; rights to receive tax refunds and other payments; rights to receive dividends, distributions, cash, instruments, and other property in respect of or in exchange for pledged shares or other equity interests; rights of indemnification; all ledgers, correspondence, credit files, invoices, and other papers and records; magnetic tapes, CD-ROMs, zip drives, and other data storage media; and other papers and documents in the possession or under the control of Debtor or any computer bureau or service company from time to time acting for Debtor.

"Goods" means any goods, as that term is defined in section 9102(a)(44) of the California Commercial Code, now owned or hereafter acquired by Debtor.

"Instruments" means any instrument, as that term is defined in section 9102(a)(47) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including all certificated securities, all certificates of deposit, and all notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"Inventory" means any inventory, as that term is defined in section 9102(a)(48) of the California Commercial Code, now owned or hereafter acquired by Debtor, wherever located, including inventory, merchandise, machinery produced manufactured or assembled by Debtor for sale or resale, Goods, and other personal property that are held by or on behalf of Debtor for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, or materials used or consumed or to be used or consumed in Debtor's business or in the processing, assembly, production, packaging, promotion, delivery, or shipping of the same, including other supplies.

"Patents" means all patentable inventions, patent rights, shop rights, letters of patent of the United States or any other country, all right, title, and interest in the foregoing, and all registrations and recordings of the foregoing, including all patent registrations and recordings in the Patent and Trademark Office or in any similar office or agency of the United States, any state, any foreign country or political subdivision of such a country including, but not limited to, all of the patents described in Schedule 1 attached hereto, together with all counterpart patents in the United States, and any and all improvement patents, reissues, reexaminations, continuations, continuations-in-part and divisions respecting the Patents, and all actions for infringement concerning the foregoing.

"Patent Applications" means all patent applications which are identified in Schedule 2 attached hereto, together with all Patents issued with respect thereto, and all actions for infringement concerning the foregoing.

"Trademarks and Trade Names" means all trademarks, trade names, trade styles, service marks, and all prints and labels on which said trademarks, trade names, trade styles and services marks have appeared or appear and all designs and General Intangibles of like nature now existing or hereafter adopted or acquired; all right, title and interest in the foregoing, all registrations and recordings of the foregoing, including all applications, registrations and recordings in the Patent and Trademark Office or in any similar office or agency of the United States, any state, any foreign country or political subdivision of such a country

3. UCC Definitions Incorporated by Reference

Terms defined in the California Commercial Code not otherwise defined in this Security Agreement are used in this Security Agreement as defined in that Code on the date of this Agreement.

4. Grant of Security Interest

To secure the prompt and complete payment, performance, and observance of all of the Obligations, Debtor hereby grants and assigns to Secured Party a Lien on all of its right, title, and interest in, to, and under the following property, whether now owned or owing to, or hereafter acquired by or arising in favor of, Debtor, including under any trade names, styles, or derivations of Debtor, and whether owned by or consigned by or to, or leased from or to, Debtor, and regardless of where located (all of which being hereinafter collectively referred to as the "Collateral"):

- (a) All Chattel Paper;
- (b) All Equipment;
- (c) All General Intangibles;
- (d) All Goods;
- (e) All Instruments
- (f) All Inventory;
- (g) All Patents;
- (h) All Patent Applications;
- (i) Trademarks and Trade Names; and

(j) To the extent not otherwise included, all proceeds and products of the foregoing and all accessions to, substitutions and replacements for, and rents and profits of each of the foregoing.

5. Debtor's Covenants

Debtor hereby covenants and agrees as follows:

- (a) To pay the Obligations to Secured Party when they are due.

(b) To pay all expenses, including attorney fees, incurred by Secured Party in the perfection, preservation, realization, enforcement, and exercise of Secured Party's rights under this Security Agreement.

(c) To indemnify Secured Party against loss of any kind, including reasonable attorney fees, caused to Secured Party by reason of its interest in the Collateral.

(d) To conduct Debtor's business efficiently and without voluntary interruption.

(e) To preserve all rights, privileges, and franchises held by Debtor's business.

(f) To keep Debtor's business property in good repair.

(g) To pay all taxes when due.

(h) To give Secured Party notice of any litigation that may have a material adverse effect on the Debtor's business.

(i) Not to change the name or place of Debtor's business, or to use a fictitious business name, without first notifying Secured Party in writing.

(j) Not to sell, assign, lease, transfer, or otherwise dispose of the Collateral except, before the occurrence of a default, for sales of goods and inventory in the ordinary course of business.

(k) Not to permit liens on the Collateral, except existing liens and current tax liens not yet due and payable.

(l) To maintain fire and extended coverage insurance on the Collateral in the amounts and under policies acceptable to Secured Party, naming Secured Party under a lender's loss-payable clause, and to provide Secured Party with the original policies and certificates at Secured Party's request.

(m) Not to use the Collateral for any unlawful purpose or in any way that would void any effective insurance.

(n) To permit Secured Party, its representatives, and its agents to inspect the Collateral at any time, and to make copies of records pertaining to it, at reasonable times at Secured Party's request.

(o) To perform all acts necessary to maintain, preserve, and protect the Collateral.

(p) Not to move the Collateral from Debtor's principal place of business without first obtaining Secured Party's consent (which all consent may be withheld at Secured Party's sole and absolute discretion).

(q) To notify Secured Party promptly in writing of any default, potential default, or any development that might have a material adverse effect on the Collateral.

(r) To execute and deliver to Secured Party all financing statements, patent recordation form cover sheets, trademark recordation form cover sheets and other documents that Secured Party

requests, in order to carry into effect the provisions of this Security Agreement and to perfect and maintain a perfected security interest in the Collateral.

6. Power of Attorney

Debtor hereby appoints Secured Party as Debtor's attorney in fact, with the following powers:

- (a) To perform any of Debtor's obligations under the Security Agreement in Debtor's name or otherwise.
- (b) To give notice of Debtor's right to payment, to enforce that right, and to make extension agreements with respect to it.
- (c) To release persons liable on rights to payment, to compromise disputes with those persons, and to surrender security, all as Secured Party determines in its sole and absolute discretion.
- (d) To prepare and file financing statements, continuation statements, statements of assignment, termination statements, patent recordation form cover sheets, trademark recordation form cover sheets, and the like, as necessary to perfect, protect, preserve, or release Secured Party's interest in the Collateral.
- (e) To endorse Debtor's name on instruments, documents, or other forms of payment or security that come into Secured Party's possession.
- (f) To take cash in payment of obligations.
- (g) To verify information concerning rights to payment by inquiry in its own name or in a fictitious name.
- (h) To prepare, execute, and deliver insurance forms; to adjust insurance claims; to receive payment under insurance claims; and to apply such payment to reduce Debtor's obligation.
- (i) The foregoing power of attorney is irrevocable, coupled with an interest and shall survive the Secured Party's dissolution.

7. Debtor's Warranties and Representations

Debtor hereby covenants, warrants, and represents to Secured Party as follows:

- (a) Debtor is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and has all necessary authority to conduct its business wherever it is conducted.
- (b) Debtor has been authorized to execute and deliver this Security Agreement. The Security Agreement is a valid and binding obligation of Debtor, fully enforceable against Debtor in accordance with its terms. This Security Agreement creates a perfected, security interest enforceable against the Collateral in which Debtor now has rights, and will create a perfected, security interest enforceable against the Collateral in which Debtor later acquires rights, when Debtor acquires those rights.

(c) Neither the execution and delivery of this Security Agreement, nor the taking of any action in compliance with it, will (1) violate or breach any law, regulation, rule, order, or judicial action binding on Debtor, any agreement to which Debtor is a party, Debtor's articles of incorporation or bylaws; or (2) result in the creation of a lien against the Collateral, except that created by this Security Agreement.

(d) No default or potential default exists under this Security Agreement.

(e) Debtor owns and has possession of all tangible Collateral which Debtor has identified in writing to the Secured Party.

8. Termination of Agreement

This Security Agreement will continue in effect even though from time to time there may be no outstanding obligations or commitments to Secured Party under this Security Agreement or any related agreements. This Security Agreement will terminate when (a) Debtor completes performance of all Obligations to Secured Party, including without limitation the repayment of all indebtedness owed by Debtor to Secured Party, and (b) Debtor has notified Secured Party in writing of the termination.

9. Default

Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events (each an "Event of Default"):

(a) Debtor fails to make any payment under the Note when due, at stated maturity, on accelerated maturity, or otherwise.

(b) Debtor fails to pay any Obligations, or any portion thereof, to Secured Party when due, at stated maturity, on accelerated maturity, or otherwise.

(c) An Event of Default (as defined in the Note) occurs pursuant to the terms of the Note.

(d) Debtor fails to make any remittances required by this Security Agreement.

(e) Debtor commits any breach of this Security Agreement, or any present or future rider or supplement to this Security Agreement, or any other agreement between Debtor and Secured Party evidencing the obligation or securing it.

(f) Any representation, warranty or statement, made by or on behalf of Debtor in or with respect to the Security Agreement, is false or incorrect.

(g) The Collateral is lost, stolen, or damaged.

(h) There is a seizure or attachment of, or a levy on, the Collateral.

(i) Debtor ceases operations, is dissolved, terminates its existence, does or fails to do anything that allows obligations to become due before their stated maturity, or becomes insolvent or unable to meet its debts as they mature.

(j) Secured Party for any reason deems itself insecure.

(k) Debtor (1) applies for or consents to the appointment of a receiver, trustee, liquidator, or custodian of itself or of a substantial part of its property; (2) is unable, or admits in writing its inability, to pay its debts generally as they mature; (3) makes a general assignment for the benefit of its creditors or any of them; (4) is dissolved or liquidated in full or in part; (5) commences a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or consents to any relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it; or (6) takes any action for the purpose of effecting any of the foregoing.

(l) Proceedings for the appointment of a receiver, trustee, liquidator, or custodian of the Debtor or of all or a substantial part of its property, or an involuntary case or other proceedings seeking liquidation, reorganization, or other relief with respect to the Debtor or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect are commenced and an order for relief is entered or such a proceeding is not dismissed or discharged within sixty (60) days of commencement.

10. Remedies

When an Event of Default occurs:

(a) Secured Party may exercise all rights and remedies available to a secured creditor after default, including, but not limited to, all of the rights and remedies of secured creditors under the California Commercial Code.

(b) Secured Party's notice of the time and place of public sale of the Collateral, or the time on or after which a private sale or other disposition of the Collateral will be made, is reasonable if sent to Debtor in the manner for giving notice at least five (5) days before the public or private sale.

(c) Debtor shall:

(i) Assemble the Collateral and make it and all records relating to it available to Secured Party as Secured Party directs.

(ii) Allow Secured Party, its representatives, and its agents to enter the premises where all or any part of the Collateral, the records, or both may be, and remove any or all of it.

11. Payment of Enforcement Rights

Debtor shall pay all costs, fees and expenses (including, but not limited to, attorneys' fees) incurred by Secured Party in connection with the taking of any action to enforce this Security Agreement, to perfect, protect or enforce the priority security interest of Security Party in the Collateral, and/or to take possession of, hold, prepare for sale or sell the Collateral.

12. Waiver by Secured Party

No waiver by Secured Party of any breach or default will be a waiver of any breach or default occurring later. A waiver will be valid only if it is in writing and signed by Secured Party.

13. Survival of Representations, Warranties and Covenants

Debtor's representations, warranties and covenants made in this Security Agreement shall survive its execution, delivery, and termination.

14. Assignment

This Security Agreement will bind and benefit the successors and assignees of the parties, but Debtor may not assign its rights or delegate its obligations under this Security Agreement.

15. Governing Law

This Security Agreement shall be governed by the law of California.

16. Entire Agreement

This Security Agreement is the entire agreement between the parties and supersedes any prior agreement or understandings between Secured Party and Debtor relating to the Collateral.

17. Notices

Notices under this Security Agreement are considered to be served (a) three days after they are deposited in the United States mail, certified or registered with prepaid first-class postage, addressed to the location set forth in the first paragraph of this Security Agreement, or (b) on receipt if served by facsimile or personal delivery. Either party may change its address for service of notice, by notice to the other party in the manner set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the day and year first written above.

Icon Textile Laser Systems, Inc.,
a Delaware corporation

By: _____

Its: _____

"Debtor"

George P. Latos

"Secured Party"

Schedule 1.

PATENTS

Schedule 2

PATENT APPLICATIONS

(i) Serial no - 10/757/678, Date of Filing - January 14, 2004, Title of Invention - "Selectively Altering a Fiber Height in Pile Fabric and Apparatus", HSE # - 90555000017, and

(ii) Serial no - 10/759/475, Date of Filing - January 16, 2004, Title of Invention - "Screen Printing and Laser Treating and Method", HSE # - 90555000014.