

PATENT ASSIGNMENT

Electronic Version v1.1  
Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

Notice of Security Interest In Patents

CONVEYING PARTY DATA

| Name           | Execution Date |
|----------------|----------------|
| LASERMAX, INC. | 06/29/2011     |

RECEIVING PARTY DATA

|                 |                              |
|-----------------|------------------------------|
| Name:           | KeyBank National Association |
| Street Address: | 4910 Tiedeman Road           |
| City:           | Brooklyn                     |
| State/Country:  | OHIO                         |
| Postal Code:    | 44144                        |

PROPERTY NUMBERS Total: 12

| Property Type  | Number  |
|----------------|---------|
| Patent Number: | 6025908 |
| Patent Number: | 6366349 |
| Patent Number: | 7421818 |
| Patent Number: | 7743547 |
| Patent Number: | 7069685 |
| Patent Number: | 7454860 |
| Patent Number: | 7721481 |
| Patent Number: | 7584569 |
| Patent Number: | 7732767 |
| Patent Number: | 7818911 |
| Patent Number: | 6591536 |
| Patent Number: | 5509226 |

CORRESPONDENCE DATA

Fax Number: (716)852-6100

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

PATENT

REEL: 026577 FRAME: 0706

501591447

OP \$480.00 6025908

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Correspondent Name: Phillips Lytle LLP  
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Address Line 2: 3400 HSBC Center  
Address Line 4: Buffalo, NEW YORK 14203

|                         |           |
|-------------------------|-----------|
| ATTORNEY DOCKET NUMBER: | 7589.1239 |
|-------------------------|-----------|

|                    |                      |
|--------------------|----------------------|
| NAME OF SUBMITTER: | Sharon A. Piatkowski |
|--------------------|----------------------|

Total Attachments: 9  
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## NOTICE OF SECURITY INTEREST IN PATENTS

Notice is hereby given that LASERMAX, INC., a New York corporation, with its principal place of business located at 3495 Winton Place, Building B, Rochester, New York 14623 ("Debtor") has granted a security interest to KeyBank National Association, a national banking association with a place of business at 4910 Tiedeman Road, Brooklyn, Ohio 44144 ("Lender"), in and to all of Debtor's patent applications and patents including, without limitation, those listed on Schedule A attached hereto, pursuant to the Security Agreement and Assignment of Patents dated June 29, 2011, by and between Debtor and Lender as the same may be amended or supplemented from time to time.

Dated: June 29, 2011

LASERMAX, INC.

By: S. Houde-Walter  
Susan N. Houde-Walter, President

STATE OF NEW YORK     )  
COUNTY OF Monroe    )     SS:

On the 30<sup>th</sup> day of June in the year 2011, before me, the undersigned, personally appeared Susan N. Houde-Walter, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Carmen E. Lewis  
Notary Public

Doc # 02-245457.1

CARMEN E. LEWIS  
Notary Public, State of New York  
Qualified in Monroe County  
No. 02LE8189487  
Commission Expires June 23, 2012

**Schedule A**

**U.S. PATENTS**

| <u>U.S. Patent</u> | <u>Date Issued</u> | <u>Invention</u>   |
|--------------------|--------------------|--|
| 6,025,908          | Feb 15, 2000       | Alignment Of Optical Elements In Telescopes Using A Laser Beam With A Holographic Projection Reticle                   |
| 6,366,349          | Apr 2, 2002        | Apparatus For Aligning Optical Elements In Response To The Display Of A Reflected Reticle Image And Method Of Aligning |
| 7,421,818          | Sep 9, 2008        | Firearm Mount With Embedded Laser Sight  |
| 7,743,547          | Jun 29, 2010       | Firearm Mount With Embedded Sight  |
| 7,069,685          | Jul 4, 2006        | Diffraction Head Up Display For Firearms   |
| 7,454,860          | Nov 25, 2008       | Method Of Sighting A Firearm With A Diffraction Head Up Display  |
| 7,721,481          | May 25, 2010       | Head Up Display For Firearms   |
| 7,584,569          | Sep 8, 2009        | Target Illuminating Assembly Having Integrated Magazine Tube And Barrel Clamp With Laser Sight                         |
| 7,732,767          | Jun 8, 2010        | Target Marker Having Quantum Cascade Laser For Thermally Marking A Target  |
| 7,818,911          | Oct 26, 2010       | Target Marking System Having A Gas Laser Assembly And A Thermal Imager   |
| 6,591,536          | Jul 15, 2003       | Method And Apparatus For Side Of Frame Positioning Of Laser Sights And LED Illuminators                                |
| 5,509,226          | Apr 23, 1996       | Firearm With Modified Take Down Latch For Controlling Laser Sight  |

Doc # 02-245457.1

## SECURITY AGREEMENT AND ASSIGNMENT OF PATENTS

FOR VALUE RECEIVED, LASERMAX, INC., a New York corporation, with an office at 3495 Winton Place, Building B, Rochester, New York 14623 ("Borrower"), and KEYBANK NATIONAL ASSOCIATION, with an office at 4910 Tiedeman Road, Brooklyn, Ohio 44144 ("Lender") agree as follows:

1. **Security Interest.** Borrower hereby transfers and assigns to the Lender and grants to the Lender a security interest ("Security Interest") in all its right, title and interest, whether now owned or hereafter owned or acquired by Borrower, in and to: (i) all inventions used by Borrower in Borrower's business, including, without limitation, all inventions described on Schedule A hereto (collectively, "Inventions"); (ii) all letters patent and foreign patents issued on, and applications for letter patent or foreign patents filed in connection with, the Inventions, whether issued to or filed by Borrower or to or by another and subsequently assigned to Borrower, including, without limitation, all letters patent and foreign patents described on Schedule A together with any reissue, continuation, continuation-in-part or extension thereof; (collectively, "Letters Patent") and the applications therefor, including, without limitation, all applications described on Schedule A (collectively, "Applications"); (iii) all license of the use of the Letters Patent, including, without limitation, all licenses described on Schedule A (collectively, "Licenses"); and (iv) all proceeds of all of the foregoing in any form collectively, including, without limitation, any claim by Borrower against third parties for past, present or future infringement or dilution of any of the Letters Patent (collectively, "Collateral").

2. **Indebtedness Secured.** The Security Interest secures payment of any and all indebtedness ("Indebtedness") of Borrower to the Lender whether now existing or hereafter incurred, of every kind and character, direct or indirect, and whether such Indebtedness is from time to time reduced and thereafter increased, or entirely extinguished and thereafter reincurred, including, without limitation: (a) Indebtedness not yet outstanding, but contracted for, or with respect to which any other commitment by the Lender exists; (b) all interest provided in any instrument, document or agreement (including this Security Agreement) which accrues on any Indebtedness until payment of such Indebtedness in full; (c) any moneys payable as hereinafter provided; and (d) any debts owed or to be owed by Borrower to others which the Lender has obtained, or may obtain, by assignment or otherwise.

3. **Representations and Warranties.** Borrower represents and warrants, and, so long as this Security Agreement is in effect, shall be deemed continuously to represent and warrant that: (a) the Letters Patent and Applications are subsisting; (b) Borrower has a genuine, valid, subsisting interest in the Collateral and knows of no defect in its title thereto; (c) Borrower has not heretofore alienated, assigned, encumbered, or otherwise disposed of the Collateral, including, without limitation, the Inventions; (d) there are no suits or actions commenced or threatened against Borrower with reference to the Collateral; and (e) Borrower is authorized to enter into this Security Agreement.

4. **Covenants of Borrower.** So long as this Security Agreement is in effect, Borrower: (a) will defend the Collateral against the claims and demands of all other parties and, at its own expense, bring suit in the name of Borrower, at the request of the Lender for infringement against infringers of the Letters Patent and any letters patent and foreign patents then granted on the Applications, provided, the Lender, if the Lender finds it necessary or desirable, may prosecute others for infringement and may join Borrower as party-plaintiffs; will keep the Collateral free from all security interests or other encumbrances, except the Security Interest and the Permitted Security Interest; and will not sell, transfer, assign, license, deliver, renounce or otherwise dispose of any Collateral or any interest therein without the prior written consent of the Lender; (b) will promptly notify the Lender of any suit for infringement brought against Borrower and shall promptly furnish the Lender copies of all documents in connection with any such suit; (c) will notify the Lender promptly in writing of any change in Borrower's business address or chief executive office or in any change in its state of organization, each as specified above; (d) in connection herewith, will execute and deliver to the Lender such financing statements, assignments and other documents and do such other things relating to the Collateral and the Security Interest as the Lender may request, pay all costs of title searches and filing financing statements, assignments, this Security Agreement and other documents in all public offices requested by the Lender; (e) will pay all taxes, assessments and other charges of every nature which may be imposed, levied or assessed against Borrower or any of Borrower's assets; (f) shall promptly notify the Lender of any application for reissue of any of Letters Patent and any letters patent and foreign patents when issued and of any interference or other proceeding involving any of the Collateral; (g) shall, on request of the Lender, give associate powers of attorney to any attorney or attorneys designated by the Lender to prosecute all applications or proceedings in the United States Patent and Trademark Office; (h) shall diligently prosecute the Applications and any other application for letters patent or for foreign patents in connection with the Inventions, shall pay the final fee and other disbursements in connection therewith and all maintenance fees in connection with all Letters Patent and shall not permit any abandonment of the Applications without the written consent of the Lender; and (i) shall mark or cause to be marked all articles, devices and machines made or sold by it, covered by any of Letters Patent, and any letters patent or foreign patents when issued, with the word "Patent" and the number of any such patent, or patents, applicable thereto, or such other notice as is required by law.

5. Events of Default.

(a) Any of the following events or conditions shall constitute an Event of Default hereunder ("Event of Default"): (i) default by Borrower in the performance of any obligation, term or condition of this Security Agreement; and/or (ii) any Default under that certain SBA Promissory Note executed by Borrower in favor of Lender in the principal amount of \$1,000,000.00 of even date herewith (the "Note") or under the Loan and Security Agreement by and between Borrower and Lender dated of even date herewith, as any of the same may be amended, modified, or replaced from time to time.

(b) The Lender, at its sole election, may declare all or any part of any Indebtedness to be immediately due and payable without demand or notice of any kind upon the happening of any Event of Default. The provisions of this paragraph are not intended in any way to affect any rights of the Lender with respect to any Indebtedness which may now or hereafter be payable on demand.

(c) The Lender's rights and remedies with respect to the Collateral shall be those of a secured party under the Uniform Commercial Code and under any other applicable law, as the same may from time to time be in effect, in addition to those rights granted herein and in any other agreement now or hereafter in effect between Borrower and the Lender. Upon the existence or occurrence of an Event of Default, the Lender may make, use, or sell the Inventions, license others to do so, and may further assign the Letters Patent and Applications.

(d) Without in any way requiring notice to be given in the following time and manner, Borrower agrees that any notice by the Lender of sale, disposition or other intended action hereunder or in connection herewith, whether required by the Uniform Commercial Code or otherwise, shall constitute reasonable notice to Borrower if such notice is mailed by regular or certified mail, postage prepaid, at least ten (10) days prior to such action, to Borrower's address specified above or to any other address which Borrower has specified in writing to the Lender as the address to which notices hereunder shall be given to Borrower and Guarantor, as applicable.

(e) Borrower agrees to pay on demand all costs and expenses incurred by the Lender in enforcing this Security Agreement, in realizing upon or protecting any Collateral and in enforcing and collecting any Indebtedness or any guaranty thereof, including, without limitation, if the Lender retains counsel for advice, suit, appeal, insolvency or other proceedings under the Federal Bankruptcy Code or otherwise, or for any of the above purposes, the reasonable attorneys' fees incurred by the Lender. Payment of all sums hereunder is secured by the Collateral.

6. Miscellaneous.

(a) Borrower hereby authorizes the Lender, at Borrower's expense, to file such financing statement or statements relating to the Collateral without Borrower's signature thereon as the Lender at its option may deem appropriate, and appoints the Lender as Borrower's attorney-in-fact (without requiring the Lender) to execute any such financing statement or statements in Borrower's name and to perform all other acts which the Lender deems appropriate to perfect and continue the Security Interest and to protect, preserve and realize upon the Collateral.

(b) (i) As further security for payment of the Indebtedness, Borrower hereby grants to the Lender a Security Interest in and lien on any and all personal property of Borrower which is or may hereafter be in the possession or control of the Lender in any capacity or of any third party acting on its behalf, including, without limitation, all deposit and other accounts and all moneys owed or to be owed by the Lender to Borrower; and with respect to all of such property, the Lender shall have the same rights hereunder as it has with respect to the Collateral. (ii) Without limiting any other right of the Lender whenever the Lender has the right to declare any Indebtedness to be immediately due and payable (whether or not it has so declared), the Lender at its sole election may set off against the Indebtedness any and all moneys then or thereafter owed to Borrower by the Lender in any capacity, whether or not the Indebtedness or the obligation to pay such moneys owed by the Lender is then due, and the Lender shall be deemed to have exercised such right of set off immediately at the time of such election even though any charge therefor is made or entered on the Lender's records subsequent thereto.

(c) Upon Borrower's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to perform any or all such duties, including, without limitation, payment of taxes, assessments, insurance and other charges and expenses as herein provided, and Borrower shall pay an amount equal to the cost thereof to such Lender on demand by such Lender. Payment of all moneys hereunder shall be secured by the Collateral.

(d) Unless any instrument, document, or agreement evidencing any Indebtedness expressly provides a rate for the accrual of interest after such Indebtedness becomes due, the rate at which interest on such Indebtedness shall accrue after such Indebtedness becomes due, whether by reason of default or otherwise and until such Indebtedness is paid in full, shall be at the rate provided in such instrument, document, or agreement which is in effect immediately prior to such Indebtedness becoming due.

(e) No course of dealing between Borrower and the Lender, and no delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The Lender may remedy any default by Borrower hereunder or with respect to any Indebtedness in any reasonable



manner without waiving the default remedied and without waiving any other prior or subsequent default by Borrower. All rights and remedies of the Lender hereunder are cumulative.

(f) Borrower authorizes the Lender, without notice or demand and without affecting Borrower's obligations hereunder, from time to time: (i) to exchange, enforce or release any collateral or any part thereof (other than the Collateral) taken from any party for payment of the Indebtedness or any part thereof; (ii) to release, substitute or modify any obligation of any indorser, guarantor or other party in any way obligated to pay the Indebtedness or any part thereof, or any party who has given any security, mortgage or other interest in any other collateral as security for the payment of the Indebtedness or any part thereof; (iii) upon the occurrence of any Event of Default as hereinabove provided, to direct the order or manner of disposition of the Collateral and any and all other collateral and the enforcement of any and all indorsements, guaranties and other obligations relating to the Indebtedness or any part thereof, as the Lender, in its sole discretion, may determine; and (iv) to determine how, when and what application of payments and credits, if any, shall be made on the Indebtedness or any part thereof.

(g) The rights and benefits of the Lender hereunder shall, if the Lender so directs, inure to any party acquiring any interest in the Indebtedness or any part thereof.

(h) The terms Lender and Borrower as used herein shall include the successors or assigns of those parties.

(i) No modification, rescission, waiver, release or amendment of any provision of this Security Agreement shall be made, except by a written agreement subscribed by Borrower and by a duly authorized officer of the Lender.

(j) This Security Agreement and the transaction evidenced hereby shall be construed under the laws of New York State, as the same may from time to time be in effect.

(k) All terms, unless otherwise defined in this Security Agreement, shall have the definitions set forth in the Uniform Commercial Code adopted in New York State, as the same may from time to time be in effect.

(l) Borrower hereby irrevocably appoints the Lender the Borrower's agent with full power, in the same manner, to the same extent and with the same effect as if Borrower were to do the same while any Event of Default is continuing; to receive and collect all mail addressed to Borrower, as applicable; to direct the place of delivery thereof to any location designated by the Lender; to open such mail; to remove all contents therefrom; to retain all contents thereof constituting or relating to the Collateral; and to perform all other acts which the Lender deems appropriate to protect, preserve and realize upon the Collateral. The agency hereby created is unconditional and shall not terminate until all of the Indebtedness is paid in full and until all commitments by the Lender to lend funds to Borrower have expired or been terminated.

(m) This Security Agreement is and is intended to be a continuing Security Agreement and shall remain in full force and effect until the officer in charge of the Department of the Lender located at the address specified above shall actually receive from Borrower written notice of its discontinuance; provided, however, this Security Agreement shall remain in full force and effect thereafter until all of the Indebtedness outstanding, or contracted or committed for (whether or not outstanding), before the receipt of such notice by the Lender, and any extensions or renewals thereof (whether made before or after receipt of such notice), together with interest accruing thereon after such notice, shall be finally and irrevocably paid in full. If, after receipt of any payment of all or any part of the Indebtedness, the Lender is for any reason compelled to surrender such payment to any person or entity, because such payment is determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, this Security Agreement shall continue in full force notwithstanding any contrary action which may have been taken by the Lender in reliance upon such payment, and any such contrary action so taken shall be without prejudice to the Lender rights under this Security Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

Date: June 19, 2011

Borrower:  
LASERMAX, INC.

By: S. Houde-Walter  
Susan N. Houde-Walter, President

STATE OF NEW YORK )  
COUNTY OF Monroe ) SS:

On the 29 day of June in the year 2011, before me, the undersigned, personally appeared Susan N. Houde-Walter, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[Signature]  
Notary Public

CARMEN E. LEWIS  
Notary Public, State of New York  
Qualified in Monroe County  
No. 02LE6169487  
Commission Expires June 23, 2012

**Schedule A**  
**TO PATENT SECURITY AGREEMENT**

| <u>U.S. Patent</u> | <u>Date Issued</u> | <u>Invention</u> |
|--------------------|--------------------|------------------|
| 6,025,908          |                    |                  |
| 6,366,349          |                    |                  |
| 7,421,818          |                    |                  |
| 7,743,547          |                    |                  |
| 7,069,685          |                    |                  |
| 7,454,860          |                    |                  |
| 7,721,481          |                    |                  |
| 7,584,569          |                    |                  |
| 7,732,767          |                    |                  |
| 7,818,911          |                    |                  |
| 6,591,536          |                    |                  |
| 5,509,226          |                    |                  |

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