

RECO



5-20-99

101007579

TO THE ASSISTANT COMMISSIONER OF PATENTS AND TRADEMARKS: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): (If multiple assignors, list numerically)

PREMIER LASER SYSTEMS, INC.

- Individual
- Association
- General Partnership
- Limited Partnership
- Corporation - State California
- Other:

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

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

**Name:** STRONG RIVER INVESTMENTS, INC.  
**Internal Address:** c/o Cavalo Capital Corp.  
**Street Address:** 630 Fifth Avenue, Suite 2000  
**City:** New York **State:** New York **ZIP:** 10111

- Individual
- Association
- General Partnership
- Limited Partnership
- British Virgin Islands Corporation
- Other:

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No

(Designations must be a separate document from Assignment)  
Additional name(s) and address(es) attached?  
 Yes  No

3. Nature of conveyance:

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other:

Execution Date: (If multiple assignors, list execution dates in numerical order corresponding to numbers indicated in 1 above) May 17, 1999

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

- a. Trademark Application No(s):  
See attached list
- b. Trademark Registration No(s):  
See attached list

Additional numbers attached?  Yes  No

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

**Name:** William H. Nieman  
KNOBBE, MARTENS, OLSON & BEAR, LLP  
**Customer No.** 20,995  
**Internal Address:** Sixteenth Floor  
**Street Address:** 620 Newport Center Drive  
**City:** Newport Beach **State:** CA **ZIP:** 92660  
**Attorney's Docket No.:** PREMLS.161GEN

7. Total fee (37 CFR 3.41): \$960

Enclosed 575 + 120 Spec. Fee  
 Authorized to be charged to deposit account

8. Deposit account number: 11-1410

Please charge this account for any additional fees which may be required, or credit any overpayment to this account.

6. Total number of applications and registrations involved:  
24

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and the attached copy is a true copy of the original document.

William H. Nieman  
Name of Person Signing

Signature

Date

5-19-99

Total number of pages including cover sheet, attachments and document: 45

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

05/21/1999 DC/ATES 00000030 2176686  
 01 FC:481  
 02 FC:482  
 03 FC:484  
 Rep'n. Ref: 05/21/1999 DC/ATES 0000004000  
 Dkt#:111410 Name/Number:2176685  
 FC: 704 \$225.00 CR

Client Code: PREMLS.161GEN

Additional Receiving Parties:

HERKIMER L.L.C.  
c/o Citco Trustee (Cayman) Limited  
P.O. Box 31106 SMB  
Grand Cayman  
Cayman Islands  
British West Indies

A Cayman Islands Limited Liability Company

U.S. Trademark Registrations

<u>Registration No.</u>	<u>Registration Date</u>
2,176,685	July 28, 1998
2,136,132	February 10, 1998
1,832,072	April 19, 1994
1,817,399	January 18, 1994
1,789,249	August 24, 1993
1,788,833	August 17, 1993

U.S. Trademark Applications

<u>Application No.</u>	<u>Application Date</u>
75/307,008	June 11, 1997
75/307,502	June 11, 1997
75/307,537	June 11, 1997
75/307,518	June 11, 1997
75/307,510	June 11, 1997
75/307,503	June 11, 1997
75/307,001	June 11, 1997
75/307,276	June 11, 1997
75/307,520	June 11, 1997
75/307,155	June 11, 1997
75/307,501	June 11, 1997
75/307,511	June 11, 1997
75/318,632	July 2, 1997
75/418,320	August 25, 1997
75/458,345	March 27, 1998
75/315,007	June 26, 1997
75/550,091	September 8, 1998
75/550,084	September 8, 1998

E:\DOCS\WHN\WHN-1179.DOC  
051899

INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of May 17, 1999, between Premier Laser Systems, Inc., a California corporation ("Premier"), and the secured parties signatory hereto, and their respective endorsees, transferees and assigns (collectively the "Secured Party").

W I T N E S S E T H:

WHEREAS, pursuant to a Secured Convertible Debenture Purchase Agreement, dated the date hereof among Premier and the Secured Party (the "Purchase Agreement"), Premier has agreed to issue to the Secured Party and the Secured Party has agreed to purchase from Premier an aggregate principal amount of \$4,000,000 of Premier's 6% Secured Convertible Debentures (the "Debentures"), which are convertible into shares of Premier's Class A Common Stock, no par value (the "Common Stock"). In connection therewith, Premier shall issue to the Secured Party Common Stock purchase warrants of even date herewith to purchase an aggregate of 60,000 shares of Common Stock (the "Warrants"); and

WHEREAS, in order to induce the Secured Party to purchase the Debentures, Premier has agreed to execute and deliver to the Secured Party this Agreement for the benefit of the Secured Party and to grant to it a first priority security interest in certain general intangible property of Premier to secure the prompt payment, performance and discharge in full of all of Premier's obligations under the Debentures and the exercise and discharge in full of all of Premier's obligations under the Warrants.

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the meanings set forth in this Section 1. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the UCC (such as "general intangibles" and "proceeds") shall have the respective meanings given such terms in Article 9 of the UCC.

(a) "Class B Warrants" means the Company's Class B Warrants, entitling the holders thereof to purchase an aggregate of 7,592,460 shares of Common Stock.

(b) "Collateral" means all of the Company's right, title and interest in and to all of Trademarks, Patents, Copyrights, and other general intangible property of the Company, all trade secrets, intellectual property rights in computer software and computer software products, design

rights which may be available to the Company, rights to proceeds arising from any and all claims for damages by way of past, present and future infringement of any Collateral with the right but not the obligation to sue on behalf of and collect such damages for said use or infringement, licenses to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights. The term "Collateral" shall include all of the foregoing items, whether presently owned or existing or hereafter acquired or coming into existence, all additions and accessions thereto, all substitutions and replacements thereof, and all proceeds, products and accounts thereof, including without limitation all proceeds from the licensing or sale or other transfer of Collateral and of insurance covering the same and of any tort claims in connection therewith.

(c) "Company" shall mean, collectively, Premier and all of the subsidiaries of Premier, other than Ophthalmic Imaging Systems, Inc.

(d) "Copyrights" means any and all copyrights, copyright applications, copyright registration and like protections in each work or authorship and derivative work thereof that is created by the Company, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including, without limitation, those set forth on Exhibit A attached hereto.

(e) "Obligations" means all of the Company's obligations under this Agreement, the Debentures and the Warrants, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later decreased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from the Secured Party as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time.

(f) "Patents" means all of the Company's patents, patent applications, letters patent and like protections of the United States of America, including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, and including, without limitation, those set forth on Exhibit B attached hereto.

(g) "Qualified Facility" means a credit facility or factoring arrangement with a nationally or regionally recognized institutional lender without conditions or restrictions (including with respect to borrowing base requirements) as to availability of funds to the Company, whereby such lender has required the Company to grant to it a first priority security interest in the Collateral, loans under which facility shall not be subject to repayment for at least 364 calendar days.

(h) "Qualified Income Source" means any of (i) licensing or royalty arrangements whereby the Company has received non-refundable prepaid licensing or royalty fees, (ii) non-refundable deposits or prepaid distribution arrangements received by the Company, (iii) non-refundable net proceeds from the exercise of Class B Warrants, (iv) non-refundable cash proceeds,

net of applicable taxes and other expenses, from the settlement of or judgment from, any of the litigation specified in Schedule 1(h) hereto, and (v) a Qualified Facility.

(i) "Trademarks" means any trademark, service mark right, whether or not registered, applications to register and registrations of the same and like protections, and the entire goodwill of the business of the Company connected with or symbolized by such trademarks, including, without limitation, those set forth on Exhibit C attached hereto.

(j) "Two Thirds-in-Interest" means one or more of the secured party signatories hereto holding in excess of 66.66% of the aggregate principal amount of the Debentures outstanding, determined on a cumulative basis.

(k) "UCC" means the Uniform Commercial Code, as currently in effect in the State of California.

2. Grant of Security Interest. As an inducement for the Secured Party to purchase the Debentures and to secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Obligations, the Company hereby, unconditionally and irrevocably, pledges, grants and hypothecates to the Secured Party, a continuing security interest in, a first lien upon and a right of set-off against all of the Company's right, title and interest of whatsoever kind and nature in and to the Collateral (the "Security Interest").

3. Representations, Warranties, Covenants and Agreements of the Company. The Company represents and warrants to, and covenants and agrees with, the Secured Party as follows:

(a) The Company has the requisite corporate power and authority to enter into this Agreement and otherwise to carry out its obligations thereunder. The execution, delivery and performance by the Company of this Agreement and the filings contemplated therein have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company.

(b) Except as specified in Schedule 3(b), the Company is the sole owner of the Collateral (except for non-exclusive licenses granted by the Company in the ordinary course of business), free and clear of any liens, security interests, encumbrances, rights or claims, and is fully authorized to grant the Security Interest in and to pledge the Collateral. There is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that have been filed in favor of the Secured Party pursuant to this Agreement) covering or affecting any of the Collateral. So long as this Agreement shall be in effect and other than pursuant to Section 10 hereof, the Company shall not execute and shall not knowingly permit to be on file in any such office or agency any such financing statement or other document or instrument (except to the extent filed or recorded in favor of the Secured Party pursuant to the terms of this Agreement).

(c) Exhibit A sets forth a true and complete list of all registered Copyrights and any applications thereto in existence as of the date of this Agreement. Exhibit B sets forth a true and

complete list of all pending Patent applications that have been filed and all Patents that have been issued as of the date of this Agreement. Exhibit C sets forth a true and complete list of all Trademark registered and pending Trademark applications filed, in each case, in the United States of America as of the date of this Agreement. The Company shall, within ten (10) days of obtaining knowledge thereof, advise the Secured Party in writing of any change in the composition of the Collateral, including, without limitation, any subsequent ownership rights of the Company in or to any Copyright, Patent or Trademark.

(d) Each of the Patents, Trademarks and Copyrights is valid and enforceable in the United States of America, and no part of the Collateral has been judged invalid or unenforceable. There has been no adverse decision to the Company's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to the Company's right to keep and maintain such Collateral in full force and effect, and, except as set forth in Schedule 3.1(d) there is no proceeding involving said rights pending or, to the best knowledge of the Company, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

(e) The Company shall at all times maintain its books of account and records relating to the Collateral at its principal place of business and may not relocate such books of account and records unless it delivers to the Secured Party at least 30 days prior to such relocation (i) written notice of such relocation and the new location thereof (which must be within the United States) and (ii) evidence that appropriate financing statements and other necessary documents have been filed and recorded and other steps have been taken to perfect the Security Interest to create in favor of the Secured Party valid, perfected and continuing first priority liens in the Collateral. The principal place of business of the Company is located at the address set forth in the introduction to this Agreement.

(f) This Agreement creates in favor of the Secured Party a valid security interest in the Collateral, including the Collateral listed on the Exhibits hereto, securing the payment and performance of the Obligations, and, upon making the filings described in the immediately following sentence, a perfected first priority security interest in such Collateral. Except for (x) the filing of this Agreement with the United States Patent and Trademark Office with respect to the Patents and Trademarks and the filing of this Agreement with the Register of Copyrights with respect to the Copyrights, and (y) the filing of financing statements on Form UCC-1 under the UCC with the jurisdictions indicated in Schedule B, attached hereto, no authorization or approval of or filing with or notice to any governmental authority or regulatory body located in the United States of America is required either (i) for the grant by the Company of, or the effectiveness of, the Security Interest granted hereby or for the execution, delivery and performance of this Agreement by the Company or (ii) for the perfection of or exercise by the Secured Party of its rights and remedies hereunder. The Company acknowledges and agrees that a copy of this Agreement (or instruments executed and delivered pursuant hereto) will be filed and recorded with each of the United States Patent and Trademark Office and the Register of Copyrights with respect to the Patents, Trademarks and Copyrights that are now or hereafter in existence.

(g) On the date of execution of this Agreement, the Company will deliver to the Secured Party (i) one or more executed UCC financing statements on Form UCC-1 with respect to

the Security Interest for filing with the jurisdictions indicated on Schedule B, attached hereto and in such other jurisdictions as may be requested by the Secured Party and (ii) one or more executed recordation sheets relating to the filing and recording of this Agreement with each of the United States Patent and Trademark Office and the Register of Copyrights with respect to the Patents, Trademarks and Copyrights that are now in existence.

(h) The execution, delivery and performance of this Agreement does not conflict with or cause a breach or default, or an event that with or without the passage of time or notice, shall constitute a breach or default, under any agreement to which the Company is a party or by which the Company is bound. No consent (including, without limitation, from stock holders or creditors of the Company) is required for the Company to enter into and perform its obligations hereunder.

(i) The Company shall at all times maintain the liens and Security Interest provided for hereunder as valid and perfected first priority (subject to subordination pursuant to Section 10 hereof) liens and security interests in the Collateral in favor of the Secured Party until this Agreement and the Security Interest hereunder shall be terminated pursuant to Section 10. The Company hereby agrees to defend the Collateral (with the exception of the Collateral specified on Schedule 3(i)) and the first priority liens and Security Interests created and granted under this Agreement against any and all persons. The Company shall safeguard and protect all Collateral for the account of the Secured Party. At the request of the Secured Party, the Company will sign and deliver to the Secured Party at any time or from time to time one or more financing statements pursuant to the UCC (or any other applicable statute) in form reasonably satisfactory to the Secured Party and will pay the cost of filing the same in all public offices wherever filing is, or is deemed by the Secured Party to be, necessary or desirable to effect the rights and obligations provided for herein. Without limiting the generality of the foregoing, the Company shall pay all fees, taxes and other amounts necessary to maintain the Collateral and the Security Interest hereunder, and the Company shall obtain and furnish to the Secured Party from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interest hereunder.

(j) Except as permitted by the Purchase Agreement, the Company will not allow any Collateral to be abandoned, forfeited or dedicated to the public without the prior written consent of the Secured Party. The Company will not transfer, pledge, hypothecate, encumber, license (except for non-exclusive licenses granted by the Company in the ordinary course of business), sell or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party.

(k) The Company shall, within ten (10) days of obtaining knowledge thereof, advise the Secured Party promptly, in sufficient detail, of any substantial change in the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on the Secured Party's security interest therein.

(l) The Company shall permit the Secured Party and its representatives and agents to inspect the Collateral at any time, and to make copies of records pertaining to the Collateral as may be requested by the Secured Party from time to time.



(m) The Company will take all steps reasonably necessary to diligently pursue and seek to preserve, enforce and collect any rights, claims, causes of action and accounts receivable in respect of the Collateral.

(n) The Company shall promptly notify the Secured Party in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Collateral and of any other information received by the Company that may materially affect the value of the Collateral, the Security Interest or the rights and remedies of the Secured Party hereunder.

(o) All information heretofore, herein or hereafter supplied to the Secured Party by or on behalf of the Company with respect to the Collateral is accurate and complete in all material respects as of the date furnished.

(p) Schedule A, attached hereto contains a list of all of the subsidiaries of Premier.

4. Defaults. The following events shall be "Events of Default":

(a) The occurrence of an Event of Default (as defined in the Debentures) under the Debentures;

(b) Any representation or warranty of the Company in this Agreement or in the Security Agreement, dated the date hereof between the Company and the Secured Party, shall prove to have been incorrect in any material respect when made;

(c) The failure by the Company to observe or perform any of its obligations hereunder or in the Security Agreement, dated the date hereof between the Company and the Secured Party, for ten (10) days after receipt by the Company of notice of such failure from the Secured Party; and

(d) Any breach or default under the Warrants.

5. Duty To Hold In Trust. Upon the occurrence of any Event of Default and at any time thereafter, the Company shall, upon receipt by it of any revenue, income or other sums subject to the Security Interest, whether payable pursuant to the Debentures or otherwise, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for the Secured Party and shall forthwith endorse and transfer any such sums or instruments, or both, to the Secured Party for application to the satisfaction of the Obligations.

6. Rights and Remedies Upon Default. Upon occurrence of any Event of Default and at any time thereafter, the Secured Party shall have the right to exercise all of the remedies conferred hereunder and under the Debentures and the Warrants, and the Secured Party shall have all the rights and remedies of a secured party under the UCC and/or any other applicable law (including the

Uniform Commercial Code of any jurisdiction in which any Collateral is then located). Without limitation, the Secured Party shall have the following rights and powers:

(a) The Secured Party shall have the right to take possession of all tangible manifestations or embodiments of the Collateral and, for that purpose, enter, with the aid and assistance of any person, any premises where the Collateral, or any part thereof, is or may be placed and remove the same, and the Company shall assemble the Collateral and make it available to the Secured Party at places which the Secured Party shall reasonably select, whether at the Company's premises or elsewhere.

(b) The Secured Party shall have the right to operate the business of the Company using the Collateral and shall have the right to assign, sell, or otherwise dispose of and deliver all or any part of the Collateral, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as the Secured Party may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to the Company or right of redemption of the Company, which are hereby expressly waived. Upon each such sale, assignment or other transfer of Collateral, the Secured Party may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Collateral being sold, free from and discharged of all trusts, claims, right of redemption and equities of the Company, which are hereby waived and released.

(c) The Secured Party may license or, to the same extent the Company is permitted by law and contract to do so, sublicense, whether on an exclusive or non-exclusive basis, any of the Collateral throughout the world for such term, on such conditions and in such manner as the Secured Party shall, in its sole discretion, determine.

(d) The Secured Party may (without assuming any obligations or liabilities thereunder), at any time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Company in, to and under any license agreement with respect to such Collateral, and take or refrain from taking any action thereunder.

(e) The Secured Party may, in order to implement the assignment, license, sale or other disposition of any of the Collateral pursuant to this Section, pursuant to the authority provided for in Section 11, execute and deliver on behalf of the Company one or more instruments of assignment of the Collateral in form suitable for filing, recording or registration in any jurisdictions as the Secured Party may determine advisable.

7. Applications of Proceeds; Expenses. (a) The proceeds of any such sale, lease, license or other disposition of the Collateral hereunder shall be applied first, to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of the Collateral, to the reasonable attorneys' fees and expenses incurred by the Secured Party in enforcing its rights hereunder and in connection with collecting, storing and disposing of the Collateral, and then to

satisfaction of the Obligations, and to the payment of any other amounts required by applicable law, after which the Secured Party shall pay to the Company any surplus proceeds. If, upon the sale, license or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which the Secured Party is legally entitled, secured parties signatory hereto will be entitled to their pro rata portion of such proceeds (determined by reference to the aggregate principal amount of Debentures outstanding, determined on a cumulative basis), and the Company will be liable for the deficiency, together with interest thereon, at the rate of 17% per annum (the "Default Rate"), and the reasonable fees of any attorneys employed by the Secured Party to collect such deficiency. To the extent permitted by applicable law, the Company waives all claims, damages and demands against the Secured Party arising out of the repossession, removal, retention or sale of the Collateral, unless due to the gross negligence or willful misconduct of the Secured Party.

(b) The Company agrees to pay all out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including, without limitation, any financing statements, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by the Secured Party. The Company shall also pay all other claims and charges which in the reasonable opinion of the Secured Party might prejudice, imperil or otherwise affect the Collateral or the Security Interest therein. The Company will also, upon demand, pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Secured Party may incur in connection with (i) the enforcement of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, or (iii) the exercise or enforcement of any of the rights of the Secured Party under the Debentures. Until so paid, any fees payable hereunder shall be added to the principal amount of the Debentures and shall bear interest at the Default Rate.

8. Responsibility for Collateral. The Company assumes all liabilities and responsibility in connection with all Collateral, and the obligations of the Company hereunder or under the Debentures and the Warrants shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unavailability for any reason.

9. Security Interest Absolute. All rights of the Secured Party and all Obligations of the Company hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Agreement, the Debentures, the Warrants or any agreement entered into in connection with the foregoing, or any portion hereof or thereof; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Debentures, the Warrants or any other agreement entered into in connection with the foregoing; (c) any exchange, release or nonperfection of any of the Collateral, or any release or amendment or waiver of or consent to departure from any other collateral for, or any guaranty, or any other security, for all or any of the Obligations; (d) any action by the Secured Party to obtain, adjust, settle and cancel in its sole discretion any insurance claims or matters made or arising in connection with the Collateral; or (e) any other circumstance which might otherwise constitute any legal or equitable defense available to the Company, or a discharge of all or any part of the Security Interest granted hereby. Until the Obligations shall have been paid and performed in full, the rights of the Secured Party shall continue

even if the Obligations are barred for any reason, including, without limitation, the running of the statute of limitations or bankruptcy. The Company expressly waives presentment, protest, notice of protest, demand, notice of nonpayment and demand for performance. In the event that at any time any transfer of any Collateral or any payment received by the Secured Party hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Secured Party, then, in any such event, the Company's obligations hereunder shall survive cancellation of this Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. The Company waives all right to require the Secured Party to proceed against any other person or to apply any Collateral which the Secured Party may hold at any time, or to marshal assets, or to pursue any other remedy. The Company waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

10. Term of Agreement and Subordination of Security Interest. (a) This Agreement and the Security Interest shall terminate on the earlier of (A) subject to the provisions of the immediately following sentence, the date of the receipt by the Secured Party of evidence satisfactory to it that the Company has received a minimum of \$4,000,000 in bona fide funds from a Qualified Income Source, and (B) the date on which all payments under the Debentures have been made in full and all other Obligations have been paid or discharged. Notwithstanding the foregoing and anything to the contrary contained herein, in no event shall this Agreement or the Security Interest terminate prior to the date that an Underlying Shares Registration Statement (as defined in the Debentures) is first declared effective by the Securities and Exchange Commission.

(b) If the Company shall have entered into a Qualified Facility for in excess of \$500,000, then the Security Interest shall, subject to terms mutually acceptable to the Company and the Secured Party, become subordinate to any security interest granted to such lender pursuant to such Qualified Facility.

(c) Upon any termination or subordination of the Security Interest pursuant to this Section 10, the Secured Party, at the request and at the expense of the Company, will join in executing an appropriate amendment or termination statement (as the case may be) with respect to any financing statement executed and filed pursuant to this Agreement.

11. Power of Attorney; Further Assurances. (a) The Company authorizes the Secured Party, and does hereby make, constitute and appoint it, and its respective officers, agents, successors or assigns with full power of substitution, as the Company's true and lawful attorney-in-fact, with power, in its own name or in the name of the Company, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of the Secured Party; (ii) to sign and endorse any UCC financing statement or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; (iii) to pay or discharge taxes, liens,

security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; and (v) generally, to do, at the option of the Secured Party, and at the Company's expense, at any time, or from time to time, all acts and things which the Secured Party deems necessary to protect, preserve and realize upon the Collateral and the Security Interest granted therein in order to effect the intent of this Agreement, the Debentures and the Warrants, all as fully and effectually as the Company might or could do; and the Company hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Obligations shall be outstanding.

(b) On a continuing basis, the Company will make, execute, acknowledge, deliver, file and record, as the case may be, in the proper filing and recording places in any jurisdiction, including, without limitation, the jurisdictions indicated on Schedule B, attached hereto, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by the Secured Party, to perfect the Security Interest granted hereunder and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to the Secured Party the grant or perfection of a security interest in all the Collateral.

(c) The Company hereby irrevocably appoints the Secured Party as the Company's attorney-in-fact, with full authority in the place and stead of the Company and in the name of the Company, from time to time in the Secured Party's discretion, to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including:

(i) To modify, in its sole discretion, this Agreement without first obtaining the Company's approval of or signature to such modification by amending Exhibit A, Exhibit B and Exhibit C, hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by the Company after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which the Company no longer has or claims any right, title or interest; and

(ii) To file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of the Company where permitted by law.

12. Notices. All notices, requests, demands and other communications hereunder shall be in writing, with copies to all the other parties hereto, and shall be deemed to have been duly given when (i) if delivered by hand, upon receipt, (ii) if sent by facsimile, upon receipt of proof of sending thereof, (iii) if sent by nationally recognized overnight delivery service (receipt requested), the next business day or (iv) if mailed by first-class registered or certified mail, return receipt requested, postage prepaid, four days after posting in the U.S. mails, in each case if delivered to the following addresses:

If to the Company: Premier Laser Systems, Inc.  
3 Morgan  
Irvine, CA 92618  
Facsimile No.: (949) 859-5241  
Attn: Chief Financial Officer

With copies to: Rutan & Tucker LLP  
611 Anton Boulevard, 14<sup>th</sup> floor  
Costa Mesa, CA 92626-1998  
Facsimile No.: (714) 546-9035  
Attn: Thomas G. Brockington, Esq.

If to the Secured Party to the address for notice set forth below such Secured Party's name on the signature page hereto.

13. Other Security. To the extent that the Obligations are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, firm, corporation or other entity, then the Secured Party shall have the right, in its sole discretion, to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Secured Party's rights and remedies hereunder.

14. Actions by the Secured Party. Any action required or permitted hereunder to be taken by or on behalf of the secured parties signatory hereto shall, for such action to be valid, require the approval of the Two Thirds-in-Interest prior to the taking of such action. If the consent, approval or disapproval of the secured parties signatory hereto is required or permitted pursuant to this Agreement, such consent, approval or disapproval shall only be valid if given by the Two Thirds-in-Interest.

15. Miscellaneous.

(a) No course of dealing between the Company and the Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder or under the Debentures shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the rights and remedies of the Secured Party with respect to the Collateral, whether established hereby or by the Debentures or by any other agreements, instruments or documents or by law shall be cumulative and may be exercised singly or concurrently.

(c) This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and is intended to supersede all prior negotiations, understandings and agreements with respect thereto. Except as specifically set forth in this Agreement, no provision of this Agreement may be modified or amended except by a written agreement specifically referring to this Agreement and signed by the parties hereto.

(d) In the event that any provision of this Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction for any reason, unless such provision is narrowed by judicial construction, this Agreement shall, as to such jurisdiction, be construed as if such invalid, prohibited or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited or unenforceable. If, notwithstanding the foregoing, any provision of this Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction, such provision, as to such jurisdiction, shall be ineffective to the extent of such invalidity, prohibition or unenforceability without invalidating the remaining portion of such provision or the other provisions of this Agreement and without affecting the validity or enforceability of such provision or the other provisions of this Agreement in any other jurisdiction.

(e) No waiver of any breach or default or any right under this Agreement shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default or right, whether of the same or similar nature or otherwise.

(f) This Agreement shall be binding upon and inure to the benefit of each party hereto and its successors and assigns.

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Agreement.

(h) This Agreement shall be construed in accordance with the laws of the State of New York, except to the extent the validity, perfection or enforcement of a security interest hereunder in respect of any particular Collateral which are governed by a jurisdiction other than the State of New York in which case such law shall govern. Each of the parties hereto irrevocably submit to the exclusive jurisdiction of any New York State or United States Federal court sitting in Manhattan county over any action or proceeding arising out of or relating to this Agreement, and the parties hereto hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such New York State or Federal court. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The parties hereto further waive any objection to venue in the State of New York and any objection to an action or proceeding in the State of New York on the basis of forum non convenient.

(i) EACH PARTY HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR EACH PARTY TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH PARTY

HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH PARTY WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY HAS KNOWINGLY AND VOLUNTARILY WAIVED ITS RIGHTS TO A JURY TRIAL FOLLOWING SUCH CONSULTATION. THIS WAIVER IS IRREVOCABLE, MEANING THAT, NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS AND SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF A LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(j) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

\* \* \* \* \*



IN WITNESS WHEREOF, the parties hereto have caused this Intellectual Property Security Agreement to be duly executed on the day and year first above written.

**PREMIER LASER SYSTEMS, INC.**

By: Colette Cozear  
Name:  
Title: CEO

**Secured Party:**

**STRONG RIVER INVESTMENTS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

Address for Notice:

Strong River Investments, Inc.  
c/o Cavallo Capital Corp.  
630 Fifth Avenue, Suite 2000  
New York, NY 10111  
Facsimile No.: (212) 332-3256  
Attn: Avi Vigder

**HERKIMER LLC**

By: \_\_\_\_\_  
Name:  
Title:

Address for Notice:

c/o Citco Trustees (Cayman) Limited  
Commercial Centre  
P.O. Box 31106 SMB  
Grand Cayman  
Cayman Islands  
British West Indies  
Facsimile No.: (345) 945-7566

with a copy to:

Southridge Capital Management LLC  
Executive Pavillon  
20 Grove Street  
Ridgefield, CT 06877  
Facsimile No.: (203) 431-8301

With copies for  
communications to  
Secured Party to:

Robinson Silverman Pearce Aronsohn &  
Berman LLP  
1290 Avenue of the Americas  
New York, NY 10104  
Facsimile No.: (212) 541-4630  
Attn: Kenneth L. Henderson, Esq.  
Eric L. Cohen, Esq.

**Exhibit A to Intellectual Property Security Agreement**

**Copyright Registrations and Applications Therefor**

**None**

List of Patents

STATUS REPORT FOR PREHLS U.S. ISSUED PATENTS

Case Number	Title of Invention	Country	Status	Application Number	Filing Date	Patent Number	Issue Date
PREHLS. 001FM1	MEDICAL LASER INTERCONNECT SYSTEM	USA	ISSUED	07/568549	08/16/90	5116329	05/26/92
PREHLS. 002FM1	FIBER OPTIC APPARATUS FOR USE WITH MEDICAL LASERS	USA	ISSUED	07/803919	12/06/91	5207673	05/04/93
PREHLS. 009FM4	TRANSPARENT LASER SURGICAL PROBE	USA	ISSUED	08/419511	04/07/95	5688261	11/18/97
PREHLS. 011FM4	CONTACT TIP FOR LASER SURGERY	USA	ISSUED	08/457992	06/01/95	5707368	01/13/98
PREHLS. 013A	OPTICS FOR MEDICAL LASER	USA	ISSUED	07/644074	01/18/91	5198926	03/30/93
PREHLS. 013DV1	OPTICS FOR MEDICAL LASER	USA	ISSUED	08/021354	02/23/93	5289557	02/22/94
PREHLS. 01BDV1	MULTIWAVELENGTH MEDICAL LASER METHOD	USA	ISSUED	07/917589	07/17/92	5304167	04/19/94
PREHLS. 018FM2	MULTIWAVELENGTH MEDICAL LASER SYSTEM	USA	ISSUED	07/754327	09/04/91	5139494	08/18/92
PREHLS. 018FM4	METHOD OF LASER SURGERY USING MULTIPLE WAVELENGTHS	USA	ISSUED	08/422648	04/14/95	5540676	07/30/96
PREHLS. 024FM1	MEDICAL LASER APPARATUS FOR DELIVERING HIGH POWER INFRARED LIGHT	USA	ISSUED	08/075720	06/11/93	5349590	09/20/94
PREHLS. 031FM2	CORNEAL SCULPTING USING LASER ENERGY	USA	ISSUED	08/384243	02/06/95	5741245	04/21/98
PREHLS. 033DV1	APPARATUS AND METHOD FOR PERFORMING EYE SURGERY	USA	ISSUED	08/455732	05/31/95	5738677	04/14/98
PREHLS. 046A	LASER SURGICAL METHOD	USA	ISSUED	07/763350	09/20/91	5267856	12/07/93
PREHLS. 050A	HIGH REPTITION RATE MID-INFRARED LASER	USA	ISSUED	08/240255	05/10/94	5422899	06/06/95
PREHLS. 052A	METHOD AND APPARATUS FOR SIMULTANEOUSLY HOLDING AND SEALING TISSUE	USA	ISSUED	972531	11/06/92	5300065	04/05/94
PREHLS. 053A	METHOD AND APPARATUS FOR APPLYING THERMAL ENERGY TO LUMINAL TISSUE	USA	ISSUED	972532	11/06/92	5290278	03/01/94
PREHLS. 055FM3	LASER SURGICAL METHOD USING TRANSPARENT PROBE	USA	ISSUED	08/391612	02/21/95	5722970	03/03/98
PREHLS. 056A	METHOD AND APPARATUS FOR APPLYING THERMAL ENERGY TO TISSUE USING A CLAMP	USA	ISSUED	972530	11/06/92	5336221	08/09/94
PREHLS. 059A	OPTICAL HEATING SYSTEM	USA	ISSUED	997554	12/28/92	5354323	10/11/94
PREHLS. 060A	METHOD AND APPARATUS FOR SEALING AND/OR GRASPING LUMINAL TISSUE	USA	ISSUED	981197	11/25/92	5364389	11/15/94
PREHLS. 063A	LASER SURGICAL PROCEDURES FOR TREATMENT OF GLAUCOMA	USA	ISSUED	08/633670	04/17/96	5855831	02/02/99
PREHLS. 075A	LASER HEALING METHOD	USA	ISSUED	06/539527	10/06/83	4672969	06/16/87
PREHLS. 076A	LASER HEALING METHOD AND APPARATUS	USA	ISSUED	07/062861	06/16/87	4854320	08/08/89

Case Number	Title of Invention	Country	Status	Application Number	Filing Date	Patent Number	Issue Date
PREMIS.077A	METHOD FOR CLOSING TISSUE WOUNDS USING RADIATIVE ENERGY BEAMS	USA	ISSUED	07/380622	07/14/89	5002051	03/26/91
PREMIS.078A	LASER HEALING METHOD AND APPARATUS	USA	ISSUED	07/639025	01/09/91	5140984	08/25/92
PREMIS.079A	METHOD FOR CLOSING TISSUE WOUNDS USING RADIATIVE ENERGY BEAMS	USA	ISSUED	07/934167	08/24/92	5409479	04/25/95
PREMIS.135A	METHOD AND APPARATUS FOR LOWERING THE INTRACULAR PRESSURE OF AN EYE	USA	ISSUED	08/279506	07/22/94	5520631	05/28/96
PREMIS.136CP1	METHOD AND APPARATUS FOR LOWERING THE INTRACULAR PRESSURE OF AN EYE	USA	ISSUED	08/570400	12/11/95	5704907	01/06/98
PREMIS.136A	METHOD FOR SURGICALLY RE-PROFILING THE CORNEA	USA	ISSUED	07/450672	12/14/89	5063942	11/12/91
PREMIS.136CP1	METHOD FOR SURGICALLY RE-PROFILING THE CORNEA TO CORRECT FOR HYPEROPIA	USA	ISSUED	07/762866	09/18/91	5318044	06/07/94
PREMIS.136CP3	METHOD AND APPARATUS FOR REPROFILING OR SMOOTHING THE ANTERIOR OR STROMAL CORNEA USING SCRAPING	USA	ISSUED	08/345245	11/28/94	5591185	01/07/97
PREMIS.136CP2	METHOD AND APPARATUS FOR SURGICALLY PROFILING THE CORNEA USING VACUUM	USA	ISSUED	08/170679	12/20/93	5368604	11/29/94
PREMIS.136DCT	APPARATUS FOR SURGICALLY RE-PROFILING THE CORNEA	USA	ISSUED	07/979424	11/19/92	5395385	03/07/95

STATUS REPORT FOR PREMIS U.S. PENDING PATENTS

Case Number	Title of Invention	Country	Status	Application Number	Filing Date	Patent Number	Issue Date
PREMIS.0090V1	LASER SURGICAL PROBE	USA	PENDING	08/841865	05/05/97		
PREMIS.0110V1	CONTACT TIP FOR LASER SURGERY	USA	PENDING	08/455061	05/31/95		
OPREMIS.049FV2	DENTAL LASER SURGERY APPARATUS AND METHOD	USA	PENDING	08/882362	06/25/97		
PREMIS.060DF1	HIGH REPETITION RATE MID-INFRARED LASER	USA	PENDING	08/979213	11/26/97		
PREMIS.050DN2	HIGH REPETITION RATE MID-INFRARED LASER	USA	PENDING	08/931600	09/17/97		
PREMIS.063DV1	LASER SURGICAL PROCEDURES FOR TREATMENT OF GLAUCOMA	USA	PENDING	09/169258	10/09/98		
PREMIS.112A	OPTICAL SOURCE AND METHOD	USA	PENDING		05/03/99		
PREMIS.136CP2	METHOD AND APPARATUS FOR LOWERING THE INTRAOCULAR PRESSURE OF AN EYE	USA	PENDING	08/998875	12/24/97		
PREMIS.146A	OCULAR FUNDUS CAMERA	USA	PENDING	09/186710	11/05/98		
PREMIS.31FDV1	CORNEAL SCULPTING USING LASER ENERGY	USA	PENDING	08/455899	05/31/95		
PREMIS.33F3C1	APPARATUS AND METHOD FOR PERFORMING EYE SURGERY	USA	PENDING	09/018373	02/04/98		

MAY-13-1999 15:25

1 949 760 9502

97%

P.05

TRADEMARK  
REEL: 1865 FRAME: 0227

NO. 699

AT/0.2

STATUS REPORT FOR PREMIS FOREIGN ISSUED PATENTS

Case Number	Title of Invention	Country	Status	Application Number	Filing Date	Patent Number	Issue Date
PREMIS.001VAU	MEDICAL LASER INTERCONNECT SYSTEM	AUSAL	ISSUED	42601/89	10/19/89	612910	12/03/91
PREMIS.001VCA	MEDICAL LASER INTERCONNECT SYSTEM	CANAD	ISSUED	2000916	10/18/89	2000916	01/17/95
PREMIS.001VER	MEDICAL LASER INTERCONNECT SYSTEM	EPO	ISSUED	89310520.5	10/13/89	0365228	12/14/94
PREMIS.001VHO	MEDICAL LASER INTERCONNECT SYSTEM	NORWA	ISSUED	894170	10/19/89	178842	06/19/96
PREMIS.001VPT	MEDICAL LASER INTERCONNECT SYSTEM	PORTG	ISSUED	92021	10/18/89	92021	10/09/95
PREMIS.002VAU	FIBER OPTIC APPARATUS FOR USE WITH MEDICAL LASERS	AUSAL	ISSUED	56921/90	06/07/90	613560	12/11/91
PREMIS.002VCA	FIBER OPTIC APPARATUS FOR USE WITH MEDICAL LASERS	CANAD	ISSUED	2018450	06/07/90	2018450	05/09/95
PREMIS.002VKR	FIBER OPTIC APPARATUS FOR USE WITH MEDICAL LASERS	KORSO	ISSUED	90-7829	05/30/90	55974	11/02/92
PREMIS.018VAU	MULTIWAVELENGTH MEDICAL LASER SYSTEM	AUSAL	ISSUED	44520/89	11/09/89	626339	02/01/93
PREMIS.018VCA	MULTIWAVELENGTH MEDICAL LASER SYSTEM	CANAD	ISSUED	2002453	11/08/89	2002453	01/17/95
PREMIS.018VPT	MULTIWAVELENGTH MEDICAL LASER SYSTEM	PORTG	ISSUED	92240	11/09/89	92240	05/03/95
PREMIS.033VAU	APPARATUS AND METHOD FOR PERFORMING EYE SURGERY	AUSAL	ISSUED	28572/97	04/01/93	699994	04/01/99
PREMIS.033VCA	APPARATUS AND METHOD FOR PERFORMING EYE SURGERY	AUSAL	ISSUED	40486/93	04/01/93	678967	10/09/97
PREMIS.050VAU	HIGH REPETITION RATE MID-IRRED LASER	AUSAL	ISSUED	17964/95	05/09/95	685599	05/07/98
PREMIS.050VER	HIGH REPETITION RATE MID-IRRED LASER	EPO	ISSUED	95302891.7	04/28/95	0662389	09/02/98
PREMIS.050VIL	HIGH PULSE REPETITION AND ITS USE (AMENDED TITLE)	ISREA	ISSUED	113501	04/26/95	113501	05/19/97
PREMIS.053DAU	METHOD AND APPARATUS FOR APPLYING THERMAL ENERGY TO LUMINAL TISSUE	AUSAL	ISSUED	53643/94	10/19/93	684054	03/26/98
PREMIS.056VAU	CLAMP AND METHOD FOR APPLYING THERMAL ENERGY	AUSAL	ISSUED	53607/94	10/14/93	682324	01/22/98
PREMIS.060VAU	METHOD AND APPARATUS FOR SEALING LUMINAL TISSUE	AUSAL	ISSUED	56699/94	11/16/93	684057	03/26/98
PREMIS.136HEP	APPARATUS FOR SURGICALLY PROFILING THE CORNEA USING VACUUM	EPO	ISSUED	91920409.9	09/16/91	0551439	08/09/95
PREMIS.136HMX	APPARATUS FOR SURGICALLY PROFILING THE CORNEA USING VACUUM	KEXIC	ISSUED	911426	10/03/91	177228	03/15/95
PREMIS.136HZA	METHOD AND APPARATUS FOR SURGICALLY PROFILING THE CORNEA USING VACUUM	SOFTG	ISSUED	917835	10/01/91	917835	08/26/92
PREMIS.136GEP	APPARATUS FOR RE-PROFILING THE CORNEA TO CORRECT FOR HYPEROPIA	EPO	ISSUED	92920651.4	09/17/92	0680298	01/21/98
PREMIS.136GMX	METHOD AND APPARATUS FOR RE-PROFILING THE CORNEA TO CORRECT FOR HYPEROPIA	KEXIC	ISSUED	925239	09/14/92	178295	06/07/95
PREMIS.136VCN	APPARATUS FOR SURGICALLY RE-PROFILING THE CORNEA	CHINA	ISSUED	90110433.7	12/14/90	42198	07/24/98

TRADEMARK  
REF: 1865 FRAME: 0228



Case Number	Title of Invention	Country	Status	Application Number	Filing Date	Patent Number	Issue Date
PREMUS.136VRR	APPARATUS FOR RE-PROFILING THE CORNEA	KORSD	ISSUED	92-701415	12/12/90	156727	01/23/98
PREMUS.136VRR	APPARATUS FOR SURGICALLY RE-PROFILING THE CORNEA	MEXIC	ISSUED	23746	12/14/90	167844	04/15/93
PREMUS.136VRU	METHOD AND APPARATUS FOR SURGICALLY RE-PROFILING THE CORNEA	RUSSA	ISSUED	5052732	12/12/90	2094032	10/27/97
PREMUS.136VZA	METHOD AND APPARATUS FOR SURGICALLY RE-PROFILING THE CORNEA	SOFRC	ISSUED	90/10063	12/14/90	90/10063	11/27/91

STATUS REPORT FOR PRELIMS PENDING FOREIGN PATENTS

Case Number	Title of Invention	Country	Status	Application Number	Filing Date	Patent Number	Issue Date
PRELIMS.001VDK	MEDICAL LASER INTERCONNECT SYSTEM	DEWHR	PENDING	5185/89	10/19/89		
PRELIMS.001VF1	MEDICAL LASER INTERCONNECT SYSTEM	FINLN	PENDING	894978	10/19/89		
PRELIMS.001VJE	MEDICAL LASER INTERCONNECT SYSTEM	IRELN	PENDING	3351/89	10/18/89		
PRELIMS.001VJP	MEDICAL LASER INTERCONNECT SYSTEM	JAPAN	PENDING	2822818/89	10/30/89		
PRELIMS.002YJP	FIBER OPTIC APPARATUS FOR USE WITH MEDICAL LASERS	JAPAN	PENDING	151431/90	06/08/90		
PRELIMS.009QCA	LASER SURGICAL PROBE	CANAD	PENDING	2107687	04/03/92		
PRELIMS.009QEP	LASER SURGICAL PROBE	EPD	PENDING	92910340.6	04/03/92		
PRELIMS.018VJE	MULTIWAVELENGTH MEDICAL LASER SYSTEM	IRELN	PENDING	3594/89	11/08/89		
PRELIMS.018VJP	MULTIWAVELENGTH MEDICAL LASER SYSTEM	JAPAN	PENDING	292115/89	11/09/89		
PRELIMS.031VEP	CORNEAL SCULPTING USING LASER ENERGY	EPD	PENDING	93903487.2	01/14/93		
PRELIMS.031VCP	CORNEAL SCULPTING USING LASER ENERGY	JAPAN	PENDING	513266/1993	01/14/93		
PRELIMS.033VCA	APPARATUS AND METHOD FOR PERFORMING EYE SURGERY	CANAD	PENDING	2117765	04/01/93		
PRELIMS.033VEP	APPARATUS AND METHOD FOR PERFORMING EYE SURGERY	EPD	PENDING	93911621.6	04/01/93		
PRELIMS.033VCP	APPARATUS AND METHOD FOR PERFORMING EYE SURGERY	JAPAN	PENDING	518505/1993	04/01/93		
PRELIMS.033VKR	APPARATUS AND METHOD FOR PERFORMING EYE SURGERY	KORSO	PENDING	94-703632	04/01/93		
PRELIMS.050R4U	HIGH REPETITION RATE MID-IRRED LASER	AUSAL	PENDING	63510/98	05/09/95		
PRELIMS.050VCA	HIGH REPETITION RATE MID-IRRED LASER	CANAD	PENDING	2148395	05/02/95		
PRELIMS.050VCP	PULSED, OPTICALLY PUMPED LASER AND SURGICAL METHOD USING THE SAME (AMENDED TITLE)	JAPAN	PENDING	110517/1995	05/09/95		
PRELIMS.050VKR	HIGH REPETITION RATE MID-IRRED LASER	KORSO	PENDING	11234/1995	05/09/95		
PRELIMS.1350AN	APPARATUS FOR LOWERING THE INTRAOCULAR PRESSURE OF AN EYE	AUSAL	PENDING	58782/96	05/24/96		
PRELIMS.1350CA	APPARATUS FOR LOWERING THE INTRAOCULAR PRESSURE OF AN EYE	CANAD	PENDING	2240146	05/24/96		
PRELIMS.1350EP	APPARATUS FOR LOWERING THE INTRAOCULAR PRESSURE OF AN EYE	EPD	PENDING	96920501.2	05/24/96		
PRELIMS.1350JP	APPARATUS FOR LOWERING THE INTRAOCULAR PRESSURE OF AN EYE	JAPAN	PENDING	522009/1997	05/24/96		
PRELIMS.1350KR	APPARATUS FOR LOWERING THE INTRAOCULAR PRESSURE OF AN EYE	KORSO	PENDING	98-704394	06/24/96		
PRELIMS.136HCA	METHOD AND APPARATUS FOR SURGICALLY PROFILING THE CORNEA USING VACUUM	CANAD	PENDING	2092285	09/16/91		

1999-13-13 15:26

1 949 760 9502

97X

P. 08

PREMIS.136HCH	METHOD AND APPARATUS FOR SURGICALLY PROFILING THE CORNEA USING VACUUM	CHINA	PENDING	91109274.9	10/03/91
PREMIS.136HJP	METHOD AND APPARATUS FOR SURGICALLY PROFILING THE CORNEA USING VACUUM	JAPAN	PENDING	518532/1991	09/16/91
PREMIS.136QCA	METHOD AND APPARATUS FOR RE-PROFILING THE CORNEA TO CORRECT FOR HYPERBPTA	CANAD	PENDING	2119365	09/17/92
PREMIS.136QCN	METHOD AND APPARATUS FOR RE-PROFILING THE CORNEA TO CORRECT FOR HYPERBPTA	CHINA	PENDING	92110484.7	09/18/92
PREMIS.136QJP	METHOD AND APPARATUS FOR RE-PROFILING THE CORNEA TO CORRECT FOR HYPERBPTA	JAPAN	PENDING	505213/1993	09/17/92
PREMIS.136NBR	METHOD AND APPARATUS FOR RE-PROFILING THE CORNEA	BRAZL	PENDING	P19007915-9	12/12/90
PREMIS.136VCA	METHOD AND APPARATUS FOR RE-PROFILING THE CORNEA	CANAD	PENDING	2071853	12/12/90
PREMIS.136VEP	METHOD FOR SURGICALLY RE-PROFILING THE CORNEA	EPO	PENDING	91902435.6	12/12/90
PREMIS.136VUP	METHOD AND APPARATUS FOR RE-PROFILING THE CORNEA	JAPAN	PENDING	502814/1991	12/12/90

STATUS REPORT FOR EYESYS U.S. ISSUED PATENTS

Case Number	Title of Invention	Country	Status	Application Number	Filing Date	Patent Number	Issue Date
EYESYS 018A	METHOD AND APPARATUS FOR VARIABLE BLOCK SIZE INTERPOLATIVE CODING OF IMAGES	USA	ISSUED	08/044401	04/08/93	5418714	05/23/95
EYESYS 020FM1	METHOD OF REFRACTIVE SURGERY	USA	ISSUED	08/355436	12/13/94	5722427	03/03/98
EYESYS 021FM1	MULTI-CAMERA CORNEAL ANALYSIS SYSTEM	USA	ISSUED	08/638875	04/25/96	5847804	12/08/98
EYESYS 130PP1	METHOD OF CORNEAL ANALYSIS USING A CHECKERED PLACIUM APPARATUS	USA	ISSUED	08/736348	10/23/95	5841511	11/24/98

TRADEMARK  
 REEL: 1865 FRAME: 0232

NO. 069

P. 18/18

MAY-13-1999 15:26

1 949 760 9502

97%

P. 10

STATUS REPORT FOR EYESYS U.S. PENDING PATENTS

Case Number	Title of Invention	Country	Status	Application Number	Filing Date	Patent Number	Issue Date
EYESYS. 008A	HANFIELD CORNEAL TOPOGRAPHY SYSTEM	USA	PENDING	09/001309	12/31/97		
EYESYS. 020F1C1	METHOD OF REFRACTIVE SURGERY	USA	PENDING	08/956878	10/23/97		
EYESYS. 021F1C1	MULTI-CAMERA CORNEAL ANALYSIS SYSTEM	USA	PENDING	08/956515	10/23/97		
EYESYS. 030A	METHOD AND APPARATUS FOR PREDICTING CORNEAL ACUITY	USA	PENDING	08/060826	05/10/93		
EYESYS. 13CPDPC	METHOD OF CORNEAL ANALYSIS USING A CHECKERED PLACIDO APPARATUS	USA	PENDING	09/102839	06/23/98		

STATUS REPORT FOR EYESYS FOREIGN ISSUED PATENTS

Case Number	Title of Invention	Country	Status	Application Number	Filing Date	Patent Number	Issue Date
EYESYS.017XBX	ABSOLUTE SCALE FOR CORNEAL TOPOGRAPHY	BENLX	ISSUED	68088-0	10/08/92	23121-00	04/21/93
EYESYS.017XDE	ABSOLUTE SCALE FOR CORNEAL TOPOGRAPHY	GERME	ISSUED	M9207467.7	10/09/92	M9207467.7	02/03/93
EYESYS.017XFR	ABSOLUTE SCALE FOR CORNEAL TOPOGRAPHY	FRANC	ISSUED	926338	10/09/92	0322610	12/31/92
EYESYS.017XGB	ABSOLUTE SCALE FOR CORNEAL TOPOGRAPHY	UNITK	ISSUED	2026301	10/15/92	2026301	12/08/93
EYESYS.017XJP	ABSOLUTE SCALE FOR CORNEAL TOPOGRAPHY	JAPAN	ISSUED	29897/1992	10/12/92	925512	03/09/95

MAY-13-1999 15:27

1 949 760 9502

97%

P.12

Trademarks

## Schedule A - Foreign Trademark Applications and Registrations

Country	Mark	App. No. App. Date	Reg. No. Reg. Date	Class(es)	Status
Australia	ARAGO	771079 08/21/98		10	Pending.
Australia	ORION	771080 08/21/98		10	Pending.
Australia	SIRIUS	771081 08/21/98		10	Pending.
Australia	POLARIS	771082 08/21/98	771082 04/06/99	10	Registered.
Australia	ALTAIR	771083 08/21/98	771083 04/06/99	10	Registered.
Australia	AURORA	771084 08/21/98	771084 04/06/99	10	Registered.
Australia	CENTAURI	771085 08/21/98		10	Pending.
Australia	PEGASUS	771086 08/21/98		10	Pending.
Australia	DERMIUM	774012 09/23/98	774012 02/12/99	10	Registered.
Brazil	ARAGO	821022784 08/26/98		10	Pending.
Brazil	ORION	821022776 08/26/98		10	Pending.
Brazil	SIRIUS	821022768 08/26/98		10	Pending.
Brazil	POLARIS	821022733 08/26/98		10	Pending.
Brazil	ALTAIR	821022741 08/29/98		10	Pending.
Brazil	AURORA	821022750 08/26/98		10	Pending.
Brazil	CENTAURI	821022806 08/26/98		10	Pending.
Brazil	PEGASUS	821022792 08/26/98		10	Pending.
Brazil	DERMIUM	821088777 08/26/98		10	Pending.



Country	Mark	App. No. App. Date	Reg. No. Reg. Date	Class(es)	Status
Canada	ARAGO	888187 08/24/98		9, 10, 35	Pending.
Canada	ORION	888188 08/24/98		9, 10, 35	Pending.
Canada	SIRIUS	888189 08/24/98		9, 10, 35	Pending.
Canada	POLARIS	888190 08/24/98		9, 10, 35	Pending.
Canada	ALTAIR	888191 08/24/98		9, 10, 35	Pending.
Canada	AURORA	888192 08/24/98		9, 10, 35	Pending.
Canada	CENTAURI	888193 08/24/98		9, 10, 35	Pending.
Canada	PEGASUS	888194 08/24/98		9, 10, 35	Pending.
Canada	DERMIUM	890293 099/15/98		10	Pending.
European Community	ARAGO	913657 08/28/98		9, 10, 35	Pending.
European Community	ORION	913764 08/28/98		9, 10, 35	Pending.
European Community	SIRIUS	913897 08/28/98		9, 10, 35	Pending.
European Community	POLARIS	913723 08/28/98		9, 10, 35	Pending.
European Community	ALTAIR	913632 08/28/98		9, 10, 35	Pending.
European Community	AURORA	913798 08/28/98		9, 10, 35	Pending.
European Community	CENTAURI	913749 08/28/98		9, 10, 35	Pending.
European Community	PEGASUS	913822 08/28/98		9, 10, 35	Pending.
European Community	DERMIUM	958553 09/18/98		10	Pending.

Country	Mark	App. No. App. Date	Reg. No. Reg. Date	Class(es)	Status
Japan	ARAGO	072418/1998 08/24/98		10	Pending.
Japan	ORION	072419/1998 08/24/98		10	Pending.
Japan	SIRIUS	072420/1998 08/24/98		10	Pending.
Japan	POLARIS	072421/1998 08/24/98		10	Pending.
Japan	ALTAIR	072422/1998 08/24/98		10	Pending.
Japan	AURORA	072423/1998 08/24/98		10	Pending.
Japan	CENTAURI	072424/1998 08/24/98		10	Pending.
Japan	PEGASUS	072425/1998 08/24/98		10	Pending.
Japan	DERMIUM	079934/1998 09/16/98		10	Pending.
South Korea	ARAGO	98-23694 09/12/98		10	Pending.
South Korea	ORION	98-23695 09/12/98		10	Pending.
South Korea	SIRIUS	98-23696 09/12/98		10	Pending.
South Korea	POLARIS	98-23697 09/12/98		10	Pending.
South Korea	ALTAIR	98-23698 09/12/98		10	Pending.
South Korea	AURORA	98-23699 09/12/98		10	Pending.
South Korea	CENTAURI	98-23700 09/12/98		10	Pending.
South Korea	PEGASUS	98-23701 09/12/98		10	Pending.
South Korea	DERMIUM	98-24079 09/16/98		10	Pending.

ATK-4146/051399

## Schedule B - U.S. Federal Trademark Applications

Mark	App. No. App. Date	Reg. No. Reg. Date	Class(es)	Status
ARAGO	75/307,008 06/11/97		9, 10	Pending.
ORION	75/307,502 06/11/97		9, 10	Pending.
SIRIUS	75/307,537 06/11/97		9, 10	Pending.
POLARIS	75/307,518 06/11/97		9, 10	Pending.
TOUCHTIPS	75/307,510 06/11/97		10	Pending.
ANGLETIPS	75/307,503 06/11/97		10	Pending.
ALTAIR	75/307,001 06/11/97		9, 10	Pending.
AURORA	75/307,276 06/11/97		9, 10	Pending.
CENTAURI	75/307,520 06/11/97		9, 10	Pending.
PEGASUS	75/307,155 06/11/97		9, 10	Pending.
PREMIER LASER SYSTEMS, INC.	75/307,501 06/11/97		9, 10	Pending.
PREMIER	75/307,511 06/11/97		9	Pending.
THE SAFE SYSTEM	75/307,517 06/11/97	2,176,685 07/28/98	10	Registered.
PROCLOSURE	74/289,453 06/29/92	1,817,399 01/18/94	10	Registered.
LTM	74/284,041 02/20/92	1,832,072 04/19/94	10	Registered.
DENTISTRY FOR THE 21ST CENTURY	75/318,632 07/02/97		10	Pending.
PREMIER LASER	75/418,320 08/25/97		9, 10	Pending.
DERMIUM	75/458,345 03/27/98		10	Pending.

Mark	App. No. App. Date	Reg. No. Reg. Date	Class(es)	Status
CELLPLANT	75/315,007 06/26/97		10	Pending.
DENTISTRY FOR THE 21ST CENTURY	75/550,091 09/08/98			Pending.
MEDICINE FOR THE 21ST CENTURY	75/550,084 09/08/98			Pending.

ATR-124  
03/1995

### Schedule C - U.S. Federal Eyesys Trademark Registrations

Mark	Registration Number	Registration Date	Class(es)	Status
PRO-FIT	2,136,132	02/10/98	9	Registered
EYESYS	1,789,249	08/24/93	9, 10	Registered
TOMORROW'S VISION TODAY	1,788,833	08/17/93	9, 10	Registered

ATK-4145  
051399

TRADEMARK

REEL: 1865 FRAME: 0241

## Schedule A to Intellectual Property Security Agreement

### Subsidiaries

1. EyeSys - Premier Inc., a Delaware corporation  
100% owned
2. CRS U.S.A., Inc., a California mutual benefit nonprofit corporation  
(Premier Laser Systems, Inc. is the sole member)
3. Data.Site, LLC, a California limited liability company  
(51% owned by Premier Laser Systems, Inc., now in the process of being shut down)
4. Ophthalmic Imaging Systems, a California corporation  
(51% owned by Premier Laser Systems, Inc.)

## Schedule B to Intellectual Property Security Agreement

### Jurisdictions where UCC-1 filings required

1. California Secretary of State

## **Schedule 1(h) to Intellectual Property Security Agreement**

Premier Laser Systems vs. Infrared Fiber Systems, Inc, Coherent, Inc., et al, as described in Item 3 to Annual Report on Form 10-K of Premier Laser Systems for the fiscal year ended March 31, 1998



## Schedule 3(b) to Intellectual Property Security Agreement

### Ownership of Collateral

1. Under Agreement dated January 9, 1998 with Corneal Contouring Development, LLC (“CCD”), PLS may be obligated to return technology relating to a corneal reprofiling device, if certain conditions are not met. This device is not presently marketed by PLS. CCD has a security interest in the assets pertaining to this product.
2. Under Agreement dated August 28, 1998 with Wound Healing of Oklahoma, Inc. PLS may be obligated to return technology relating to a device for lowering the intraocular pressure of the eye, if certain conditions are not met. This device is not presently marketed by PLS.
3. Under a Technology Transfer and Software License Agreement dated October 16, 1998 among Premier Laser Systems, Inc., Sarver and Associates, Inc. and Edwin Sarver, PLS may be required to return technology relating to mapping of the eye. This device is not presently marketed by PLS.
4. Joint ownership of patent for laser tip, with Michael Colvard.

## Schedule 3(d) to Intellectual Property Security Agreement

### Current Matters

1. Britesmile, Inc., a Utah corporation, Plaintiff, v. Interdent, Inc., a California corporation, Premier Laser Systems, Inc. a California corporation. This is a patent infringement case filed 09/22/97 regarding a laser method for bleaching teeth.
2. Opposition against Premier Laser Systems application in the Patent and Trademark Office to registration of the trademark "Aurora," and objection to the further use of that name by Premier Laser Systems in connection with the sale of its products.

### Old Matters which may no longer be in dispute

3. Dr. Pelagalli: Letter alleging that he is an inventor of certain (unspecified) technology of Premier Laser.
4. Dr. Patricia Bath: Letter alleging that Premier infringes a patent.
5. Opticon: Letter alleging that Premier infringes a patent.
6. Dr. Rabinowitz: Letter alleging that Premier infringes copyright.
7. Dr. Berlin: Letter to his lawyer (not to Premier) alleging that Premier infringes a patent.

**Schedule 3(i) to Intellectual Property Security Agreement**

List of Material Patents

<u>Title of Invention</u>	<u>Country</u>	<u>Patent Number</u>
Medical Laser Interconnect System	USA	5116329
Medical Laser Interconnect System	AUSAL	612910
Medical Laser Interconnect System	CANAD	2000916
Medical Laser Interconnect System	EPO	0365228
Laser Surgical Method	USA	5267856
Method for Surgically Re-Profiling the Cornea	USA	5063942
Method for Surgically Re-Profiling the Cornea to Correct For Hyperopia	USA	5318044
Apparatus for Re-Profiling the Cornea to Correct for Hyperopia	EPO	0680298
Method and Apparatus for Surgically Profiling the Cornea	USA	5368604
Apparatus for Surgically Profiling the Cornea Using Vacuum	EPO	0551439
Apparatus for Surgically Re-Profiling the Cornea	USA	5395385
Method and Apparatus for Reprofileing or Smoothing the Anterior or Stromal Cornea Using Scraping	USA	5591185
Laser Healing Method	USA	4672969
Laser Healing Method and Apparatus	USA	4854320
Method for Closing Tissue Wounds Using Radiative Energy Beams	USA	5002051
Laser Healing Method and Apparatus	USA	5140984
Method for Closing Tissue Wounds Using Radiative Energy Beams	USA	5409479
Optical Heating System	USA	5354323
Method and Apparatus for Lowersing the Intraocular Pressure of an Eye	USA	5520631
Method and Apparatus for Lowering the Intraocular Pressure of an Eye	USA	5704907
Laser Surgical Procedures for Treatment of Glaucoma	USA	5865831