

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	RELEASE BY SECURED PARTY

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
MORIAH CAPITAL, L.P.		10/18/2010	Limited Partnership: DELAWARE

**RECEIVING PARTY DATA**

Name:	EMAGIN CORPORATION
Street Address:	2070 Route 52, Bldg. 334
City:	Hopewell Junction
State/Country:	NEW YORK
Postal Code:	12533
Entity Type:	CORPORATION: DELAWARE

**PROPERTY NUMBERS Total: 14**

Property Type	Number	Word Mark
Serial Number:	78463416	VIRTUAL VISION VERACITY
Serial Number:	78463402	VERACITY
Serial Number:	78235749	EGLASS
Serial Number:	78853656	PRIVATE EYES
Serial Number:	78853655	PRIVATE EYE
Serial Number:	78852411	EYEVIEWER
Serial Number:	78852409	EYEWITNESS
Serial Number:	78541421	Z800 3DVISOR
Serial Number:	78667562	PERSONAL VIEWER
Serial Number:	78667564	3DVISOR
Serial Number:	78667565	GET INSIDE THE GAME
Serial Number:	78720607	EYEBUD
Serial Number:	75856770	EMAGIN
Serial Number:	74285321	VIRTUAL VISION

**TRADEMARK**

**900174677**

**REEL: 004302 FRAME: 0145**

**OP \$365.00 78463416**

CORRESPONDENCE DATA

Fax Number: (212)292-5391  
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.  
Phone: 212-292-5390  
Email: mail@ipcounselors.com  
Correspondent Name: EPSTEIN DRANGEL LLP  
Address Line 1: 60 EAST 42ND STREET, SUITE 2410  
Address Line 4: NEW YORK, NEW YORK 10165

ATTORNEY DOCKET NUMBER:	1494-001 TM
NAME OF SUBMITTER:	Dermot M. Sheridan
Signature:	/dermot m. sheridan/
Date:	10/22/2010

Total Attachments: 37

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**RELEASE OF SECURITY INTEREST**

eMagin Corporation ("Borrower"), has entered into a Patent & Trademark Security Agreement with Moriah Capital, L.P. (Secured Party").

Given valuable consideration received, and pursuant to the terms of the Patent & Trademark Security Agreement, Secured Party hereby releases Borrower from the Security Agreement dated August 7, 2007, including, but not limited to the intellectual property identified in the accompanying schedules hereto.

The Secured Party has not assigned any claims or obligations covered by this release to any other party.

The Secured Party will/has signed a Release of U.C.C. Financing Statement if requested by Borrower.


The party signing this release intends that it both bind and benefit any successors.

Dated: October 18, 2010

**MORIAH CAPITAL, L.P.**

**By: Moriah Capital Management, L.P.,  
General Partner**

**By: Moriah Capital Management, GP, LLC,  
General Partner**

By:   
Name: Alexandre Speaker  
Title: Managing Member

**CERTIFICATE - AUTHORIZED SIGNATORY**

The undersigned, Alexandre Speaker, being a Manager of Moriah Capital Management, GP, LLC, hereby certifies as follows:

1. Moriah Capital Management, L.P. is the General Partner of Moriah Capital L.P., and is thereby an authorized signatory of Moriah Capital, L.P.
2. Moriah Capital Management, GP, LLC is the General Partner of Moriah Capital Management, L.P., and is thereby an authorized signatory of Moriah Capital Management, L.P.
3. By resolution duly adopted, Alexandre Speaker was appointed as a Manager of Moriah Capital Management, GP, LLC, and is thereby an authorized signatory of such entity. Such resolution has not been rescinded and remains in full force and effect as of the date hereof.

Dated: October 18, 2010



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Alexandre Speaker

Re: Rule 144 Representation Letter

Gentlemen:

In connection with the request for the removal of the restrictive legend from the stock certificates owned by the undersigned ("Seller"), which represent 371,577 shares (the "Shares") of the Common Stock, par value \$0.001 per share, of Empire Corporation, a Delaware corporation (the "Company"), pursuant to Rule 144 of the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), Seller hereby represents, warrants and confirms to you as follows:

1. I acquired and fully paid for the Shares as follows:

<u>Date of Acquisition</u>	<u>Manner of Acquisition</u>	<u>Date of payment (if same as date of Acquisition state same)</u>
<u>August 7, 2008</u>	<u>Private</u>	<u>Same</u>

2. I am not now, and have not been during the preceding three months, an officer, director, or more than 10% shareholder of the Company or in any other way an "affiliate" of the Company as that term is defined in Rule 144(a)(1).

3. None of the following persons is an affiliate of the Company and has not been an affiliate of the Company for the past three (3) months:

- (a) Neither my spouse nor any relative of mine who shares the same residence as I;
- (b) Any trust or estate in which I or any of the persons described in 3(a) collectively own 10% or more of the beneficial interest or in which I or any such person serves as a fiduciary; or
- (c) Any corporation, limited liability company, partnership or other entity in which I or any of the persons described in 3(a) and (b) collectively are the beneficial owners of 10% or more of any class of equity securities or 10% or the equity interest.

4. I do not know of any material adverse information about the Company or its prospects which has not been publicly disclosed, and, if, at any time before I sell the Shares, I acquire such information, I will refrain from making any sales of the Shares as long as I am in possession of non-public material adverse information.

5. I acknowledge that notwithstanding the removal of the legend on my stock certificates:

(a) In the event that because of a failure by the Company to meet the current public information requirements of Rule 144(c), I may not be able to sell my Shares until such time that the Company is in compliance with the requirements of Rule 144(c), and

(b) In the event that Company shall meet the "shell" company definition as set forth under Rule 144(i)(1)(i), I will not be able to sell my Shares until such time that the Company is in compliance with the requirements of Rule 144(i)(2).

For purposes of this Section, Rule 144(i)(2) states that securities in an issuer, who meets the requirements of Rule 144(i)(1), may only be resold provided the following conditions are met:

- The company has ceased to be a shell company
- becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 (that is it is required to file all periodic, quarterly and annual reports, as well as subject itself to the proxy and insider reporting provisions of the Exchange Act);
- has filed all reports and material required to be filed under Section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months (or for such shorter time that the issuer was required to file such reports and materials), other than Form 8-K reports; and
- At least one year has elapsed from the time that the issuer filed current Form 10 type information with the Commission reflecting its status as an entity that it is not a shell company.

"Form 10 information" means the information than an issuer would be required to file if it were registering a class of securities under the Securities Exchange Act of 1934, as amended. Further, the Form 10 information is deemed to be filed on the date the information is initially provided to the SEC.

I acknowledge that the Company and its counsel will rely upon the completeness and accuracy of the information and representations contained in this letter. Accordingly, I agree to indemnify and hold harmless the Company, its officers, directors and counsel for any loss they or any of them may sustain arising out of a breach of my representation set forth in this letter or any violation of the Act, the Securities Exchange Act of 1934, as amended, or any other applicable laws or regulations by me or by anyone acting on my behalf.

MORAN CAPITAL L.P.

By: 

Name: ALAN M. SEASOY

Date: NOV 18, 2010

## PATENT AND TRADEMARK SECURITY AGREEMENT

This **PATENT AND TRADEMARK SECURITY AGREEMENT**, dated as of August 7, 2007, (this "Agreement"), made by **EMAGIN CORPORATION**, a Delaware corporation (the "Grantor"), to **MORIAH CAPITAL, L.P.**, a Delaware limited partnership ("Lender").

### WITNESSETH:

**WHEREAS**, the Grantor is the borrower under, and entered into, an accounts receivable and inventory-based revolving loan credit facility with Lender, pursuant to which Lender may make loans to Borrower (the "Loan Agreement");

**WHEREAS**, the Grantor has certain right, title and interest in and to certain patents, patent applications and trademarks and related property;

**WHEREAS**, the Grantor has agreed to grant to the Lender a security interest in its right, title and interest in and to certain patents, patent applications, trademarks and related rights to secure the payment and performance of certain obligations of the Grantor, including, without limitation, obligations of the Grantor under the Loan Documents;

**WHEREAS**, it is a condition precedent to the Lender's entry into the Loan Agreement that the Grantor shall have executed and delivered this Agreement to the Lender;

**WHEREAS**, the Grantor is contemporaneously herewith entering into the Loan Documents with the Lender;

**NOW, THEREFORE**, in consideration of the Recitals and the mutual agreements and covenants contained herein and in the Loan Documents, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby as follows:

#### 1. Definitions.

(a) As used in this Agreement, the terms "Agreement," "Grantor" and "Lender" shall have the respective meanings assigned to such terms in the introductory paragraph of and the recitals to this Agreement.

(b) All the agreements or instruments herein defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof and of this Agreement.

(c) Capitalized terms used herein without definition shall have the respective meanings assigned to such terms in the Loan Agreement.

(d) The following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):



**"Accounts"** means all rights to payment for goods sold or leased or for services rendered, whether or not such rights have been earned by performance.

**"Affiliate"** means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the subject Person. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

**"Code"** means the Uniform Commercial Code as from time to time in effect in the applicable State or Commonwealth in which Lender may seek to perfect its security interest in the Collateral.

**"Collateral"** means all of the Grantor's right, title and interest in and to each of the following, whether now owned or at any time hereafter acquired by the Grantor or in which the Grantor now has or at any time in the future may acquire any right, title or interest:

- (1) all Patents;
- (2) all Patent Licenses;
- (3) all Trademarks;
- (4) all Trademark Licenses;
- (5) all Contracts, Documents and General Intangibles developed or acquired by the Grantor relating to any and all of the foregoing;
- (6) all insurance policies to the extent they relate to the preceding items (1) through (5); and
- (7) to the extent not otherwise included in the preceding items (1) through (6), all Proceeds, products, rents, issues, profits and returns of and arising from any and all of the foregoing.

**"Contracts"** shall have the meaning assigned to such term under the Code.

**"Documents"** shall have the meaning assigned to such term under the Code.

**"Event of Default"** means:

- (1) the failure by the Grantor to perform in any material respect any obligation of the Grantor under this Agreement as and when required by this Agreement;

(2) any representation or warranty made by the Grantor pursuant to this Agreement shall have been untrue in any material respect when made or deemed to be made;

(3) the failure by the Grantor to perform in any material respect any obligation of the Grantor under any of the Loan Documents as and when required by the Loan Documents;

(4) any representation or warranty made by the Grantor pursuant to any of the Loan Documents that shall have been untrue in any material respect when made or deemed to be made; or

(5) any Event of Default under any of the Loan Documents.

"General Intangibles" shall have the meaning ascribed to such term in the Code.

"Issuance Date" means the date on which the Note is initially issued.

"Lien" shall mean any lien, mortgage, security interest, chattel mortgage, pledge or other encumbrance (statutory or otherwise) of any kind securing satisfaction or performance of an obligation, including any agreement to give any of the foregoing, any conditional sales or other title retention agreement, any lease in the nature thereof, and the filing of or the agreement to give any financing statement under the Code of any jurisdiction or similar evidence of any encumbrance, whether within or outside the United States.

"Obligations" shall mean:

(1) the full and prompt payment when due of all obligations and liabilities to Lender, whether now existing or hereafter arising, under the Note, this Agreement or the other Loan Documents and the due performance and compliance with the terms of the Note and the other Loan Documents;

(2) the full and prompt payment when due of all obligations and liabilities to the Lender, whether now existing or hereafter arising, under the Loan Documents and the due performance and compliance with the terms of the Loan Documents;

(3) any and all sums advanced by the Lender in order to preserve the Collateral or to preserve the Lender's security interest in the Collateral;

(4) in the event of any proceeding for the collection or enforcement of any obligations or liabilities of the Grantor referred to in the immediately preceding clauses (1), (2) and (3) in accordance with the terms of the Loan Documents and this Agreement, the reasonable expenses of re-taking, holding, preparing for sale, selling or otherwise disposing of or realizing on the Collateral, or of any other exercise by the Lender of its rights hereunder, together with reasonable attorneys' fees and court costs; and

(5) any amounts for which Lender is entitled to indemnification under Section 4(n).

"Patent(s)" means all patents, patent applications and patent disclosures which are presently, or in the future may be, owned, issued, acquired or used (whether pursuant to a license or otherwise) anywhere in the world by the Grantor, in whole or in part, and all of the Grantor's right, title and interest in and to all patentable inventions and to file applications for patents under patent laws of the United States or of any other jurisdiction, including any and all extensions, reissues, substitutes, continuations, continuations-in-part, divisional, patents of addition, re-examinations and renewals thereof, and patents issuing therefrom, and any other proprietary rights related to any of the foregoing (including, without limitation, remedies against infringements thereof and rights of protection of an interest therein under the laws of all jurisdictions) and any and all foreign counterparts of any of the foregoing, including without limitation, those listed on Exhibit A to this Agreement.

"Patent Licenses" means each license agreement identified in Exhibit A to this Agreement as it may be amended, supplemented or otherwise modified from time to time, and each license agreement relating to Patents hereafter granted to, used or acquired by the Grantor, in each case together with the right to use and rely upon the inventions and other intellectual property conveyed thereunder.

"Person" means any natural person, corporation, partnership, limited liability company, trust, incorporated organization, unincorporated association or similar entity or any government, governmental agency or political subdivision.

"Proceeds" shall have the meaning assigned to such term under the Code.

"PTO" means the United States Patent and Trademark Office.

"Security Interest" means the security interest and collateral assignment granted in the Collateral pursuant to this Agreement.

"Subsidiary" means any corporation or other entity of which a majority of the capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned by the Company.

"Trademark License" means each license agreement identified in Exhibit B hereto as it may be amended, supplemented or otherwise modified from time to time, and each license agreement relating to Trademarks hereafter used, adopted or acquired by the Grantor.

"Trademarks" means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers of the Grantor adopted for its use anywhere in the world or hereinafter adopted or acquired, whether currently in use or not, and the goodwill associated therewith, all registrations and recordings thereof, and all applications in connection therewith,

including, without limitation, those identified in **Exhibit B** to this Agreement, and (b) all renewals thereof by the Grantor.

**2. Grant of Security Interest.** As collateral security for the prompt and complete payment and performance when due of the Obligations and for the other purposes provided in this Agreement, the Grantor hereby grants, assigns and conveys to the Lender all of the Grantor's right, title and interest in and to the Collateral as collateral security and hereby grants the Lender a continuing second priority security interest therein subject only to the rights of Alexandra Global Master Fund Ltd. as collateral agent (the "Note Agent"), in accordance with the Intercreditor Agreement. Such grant includes, without limitation, a grant of the security interest to secure the payment and performance of the Obligations. Notwithstanding the foregoing assignment, unless and until there shall have occurred and be continuing an Event of Default, the Grantor shall retain and the Lender hereby grants to the Grantor the exclusive, non-transferable, revocable right and license to use the Collateral on and in connection with making, having made, using and selling products sold by the Grantor, for the Grantor's own benefit and account and for none other (except as provided in the Patent Licenses identified on **Exhibit A** and the Trademark Licenses identified on **Exhibit B**). The Grantor agrees not to sell or assign its interest in, or grant any sublicense under, the foregoing license granted to the Grantor without the prior written consent of the Lender, which may be withheld in the Lender's sole and absolute discretion.

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

**(a) Description of Collateral.** True and complete schedules setting forth all Patents, Patent Licenses, Trademarks and Trademark Licenses owned, held, controlled or used by the Grantor or to which the Grantor is a party on the date of this Agreement, together with a summary description and full information in respect of the filing, registration, issuance and expiration dates thereof, as applicable, are set forth on **Exhibit A** with respect to Patents and Patent Licenses and on **Exhibit B** with respect to Trademarks and Trademark Licenses, respectively, to this Agreement.

**(b) Title; No Other Liens.** Except for the Lien granted to the Lender pursuant to the Loan Documents, as contemplated under the Loan Documents, and to Note Agent, the Grantor is the sole and exclusive owner of and has good and marketable title to each item of the Collateral free and clear of any and all Liens or claims of others. None of the Grantor's Subsidiaries or other entities controlled by the Grantor has any right, title or interest in or to any of the Collateral. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of the Lender or Note Agent, pursuant to the Loan Documents.

**(c) Perfected Liens.** The Liens granted pursuant to this Agreement will constitute, upon the completion of all the filings or notices listed in **Exhibit C** to this Agreement, which Exhibit includes all UCC-1 financing statements to be filed pursuant to the Loan Documents, all requisite filings to be made with the PTO in the forms substantially similar to that of **Exhibit D** and **Exhibit E** to this Agreement, valid and perfected Liens on all Collateral in

favor of the Lender, which are prior to all other Liens, except Liens in favor of the Note Agent, on such Collateral and which are enforceable as such against all Persons.

**(d) Consents under Contracts.** No consent (other than consents that have been obtained) of any party (other than the Grantor) to any Contract that constitutes part of the Collateral is required, or purports to be required, in connection with the execution, delivery and performance of this Agreement or the exercise of the Lender's rights and remedies provided herein or at law.

**(e) Chief Executive Office.** The Grantor's chief executive office and chief place of business is located at 10500 N.E. 8<sup>th</sup> Street, Suite 1400, Bellevue, WA 98004.

**(f) Authority.** The Grantor has full power, authority and legal right to grant the Lender the Lien on the Collateral pursuant to this Agreement.

**(g) Approvals, Filings; Etc.** No authorization, approval or consent of, or filing, registration, recording or other action with, any United States or foreign court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market, the stockholders of the Company or any other Person, including, without limitation, the PTO, is required to be obtained or made by the Company or any Subsidiary (x) for the grant by the Grantor of the Lien on the Collateral pursuant to this Agreement, (y) the collateral assignment of the Collateral to the Lender pursuant to this Agreement or (z) to perfect the Lien purported to be created by this Agreement, in each case except as has been obtained or made or (z) for the exercise of the Lender's rights and remedies provided herein or at law.

**(h) No Claims.** Each of the Patents and Trademarks existing on the date hereof is valid and enforceable, and the Grantor is not presently aware of any past, present or prospective claim by any third party that any of such Patents or Trademarks are invalid or unenforceable, or that the use of any Patents does or may violate the rights of any third person, or of any basis for any such claims.

**(i) Statutory Notice.** The Grantor has used and will continue to use proper statutory notice in connection with its use of the Patents.

**(j) Certain Patent Matters.** To its knowledge, the Grantor does not lack any material rights or licenses to use the Patents or to make, have made, use, sell, or offer for sale the claimed subject matter of the Patents. To the knowledge of the Grantor, there are no facts which would form a basis for a finding that any of the claims of the Patents is unpatentable, unenforceable or invalid. To the knowledge of the Grantor, there are no pending U.S. or foreign patent applications which, if issued, would limit or prohibit the ability of the Grantor or the Lender to make, have made, use, sell, or offer for sale the claimed subject matter of the Patents.

**(k) Custom License Matters.** Each Patent License or Trademark License is the legal, valid and binding obligation of the Grantor and the respective licensor thereunder; the Grantor is not, and, to the best knowledge of the Grantor, each licensor is not, in default of any of its obligations under any Patent License or Trademark License; no event has occurred and no circumstance exists that with the giving of notice or the passage of time, or both, would

constitute such a default by the Grantor; and, to the best knowledge of the Grantor, no such event has occurred or circumstance exists that would constitute a default by the licensor under any Patent License or Trademark License.

**4. Covenants.** The Grantor covenants and agrees with the Lender that from and after the date of this Agreement until the payment and performance in full by the Grantor of all of the Obligations:

(a) **Further Documentation.** At any time and from time to time, upon the written request of the Lender, and at the sole expense of the Grantor, the Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as the Lender may request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, any applicable filing with the PTO and the filing of any financing or continuation statements under the Code or similar laws in effect in any such jurisdiction with respect to the Liens created hereby. The Grantor also hereby authorizes the Lender to file any such financing or continuation statement without the signature of the Grantor to the extent permitted by applicable law. A carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

(b) **Maintenance of Records.** The Grantor will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral. For the further security of the Lender, the Grantor hereby grants to the Lender, a security interest in all of the Grantor's books and records pertaining to the Collateral, and the Grantor shall turn over any such books and records for inspection at the office of the Grantor to the Lender or to its representatives during normal business hours at the request of the Lender.

(c) **Limitation on Liens on Collateral.** The Grantor (x) will not create, incur or permit to exist, will defend the Collateral against, and will take such other action as is necessary to remove, any Lien or claim on or to the Collateral, other than the Liens created hereby and by the Loan Documents, and (y) will defend the right, title and interest of the Lender in and to any of the Collateral against the claims and demands of all Persons.

(d) **Limitations on Dispositions of Collateral.** The Grantor will not sell, transfer, assign, grant any participation in, sublicense or otherwise dispose of any of the Collateral to any Persons, including, without limitation, any Subsidiary or Affiliate, or attempt, offer or contract to do so.

(e) **Limitations on Modifications, Waivers, Extensions of Patent Licenses and Trademark Licenses.** The Grantor will not (i) amend, modify, terminate or waive any provision of any Patent License with respect to any Patent or Trademark License with respect to any Trademark in any manner which could reasonably be expected to materially adversely affect the value of such Patent License or Trademark License as Collateral, (ii) fail to exercise promptly and diligently each and every material right and perform each material obligation which it may have under each Patent License and Trademark License with respect to any Trademarks. Within two Business Days of receipt thereof, the Grantor will deliver to the Lender a copy of each

material demand, notice or document received by it relating in any way to each Patent License and Trademark License.

**(f) Further Identification of Collateral.** The Grantor shall furnish to the Lender from time to time, upon the request of the Lender, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Lender may reasonably request, all in reasonable detail.

**(g) Notices.** The Grantor shall advise the Lender promptly, but in no event later than two Business Days after the occurrence thereof, in reasonable detail, at its address specified in accordance with Section 15 (i) of any Lien on, or claim asserted against, any of the Collateral, other than as created hereby or as permitted hereby, (ii) of any Event of Default or any event which, with the giving of notice or the passage of time, or both, would become an Event of Default and (iii) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the Liens created hereunder or the rights of the Lender hereunder.

**(h) Patents.**

(1) The Grantor will notify the Lender immediately if it knows, or has reason to know, that any application relating to any Patent may become abandoned or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO or any court or tribunal in any country) regarding the Grantor's ownership of or license rights or other rights with respect to any Patent.

(2) The Grantor will, with respect to any Patent that the Grantor obtains after the Issuance Date or any Patent License that the Grantor acquires after the Issuance Date, promptly, but in no event later than five Business Days thereafter, (i) take all actions necessary so that the Lender shall obtain a perfected security interest in such Patent or Patent License and (ii) provide to the Lender a revised Exhibit A, listing all Patents and all Patent Licenses in which the Grantor has an interest.

(3) Upon request of the Lender, the Grantor shall execute and deliver any and all agreements, instruments, documents, and papers as the Lender may request to evidence the Lender's security interest in such Patents or Patent Licenses, and the Grantor hereby constitutes the Lender its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Grantor shall have paid and performed in full all of its obligations under this Agreement and the other Loan Documents.

(4) The Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before the PTO to maintain and pursue each Patent including, without limitation, payment of maintenance fees.

(5) In the event that any Patent included in the Collateral is infringed by a third party, the Grantor shall promptly notify the Lender after it learns thereof and

shall, if appropriate, sue for infringement, seeking injunctive relief where appropriate and to recover any and all damages for such infringement, or take such other actions as the Grantor shall reasonably deem appropriate under the circumstances to protect such Patent.

(6) The Grantor hereby grants to the Lender and its employees and agents the right, upon prior written notice, to visit the Grantor's plants and facilities, and the Grantor shall use its best efforts to arrange for the Lender and its employees and agents to have access to such plants and facilities of third parties which manufacture or supply goods or services, for or under contract with the Grantor.

**(i) Trademarks.**

(1) The Grantor (either itself or through licensees) will, with respect to each Trademark identified in Exhibit B, as Exhibit B may be amended, supplemented or otherwise modified from time to time, (i) continue to use or have used such Trademark to the extent necessary to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) employ such Trademark with the appropriate notice of registration, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Lender, shall obtain a first priority perfected security interest in the Company's interest in such mark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any such Trademark may become invalidated.

(2) The Grantor will promptly notify the Lender if any application or registration relating to any Trademark may become abandoned, canceled or denied, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the PTO or any court or tribunal in any country) regarding the Grantor's ownership interest in such Trademark or its right to register the same or to keep and maintain the same.

(3) The Grantor will, with respect to any Trademark that the Grantor registers after the Issuance Date or any Trademark License that the Grantor acquires after the Issuance Date, promptly (i) take all actions necessary so that the Lender, shall obtain a perfected security interest in such Trademark or Trademark License and (ii) provide to the Lender a revised Exhibit B listing all registered Trademarks and all Trademark Licenses in which the Grantor has an interest.

(4) Upon request of the Lender, the Grantor shall execute and deliver any and all agreements, instruments, documents, and papers as the Lender may request to evidence the Lender's security interest in any Trademark and the goodwill and general intangibles of the Grantor relating thereto or represented thereby, and the Grantor hereby constitutes the Lender its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Grantor shall have paid and performed in full all of its obligations under the Loan Documents.



(5) The Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before the PTO, to maintain and pursue each application (and to obtain the relevant registration) and to maintain the registration of the Trademarks, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(6) In the event that any Trademark included in the Collateral is infringed, misappropriated or diluted by a third party, the Grantor shall notify the Lender and shall, if appropriate, sue for infringement, misappropriation or dilution, seeking injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution, or take such other action as the Grantor reasonably deems appropriate under the circumstances to protect such Trademark.

(j) **Further Actions.** Without limiting the foregoing provisions of this Section 4, the Grantor further agrees for itself and its successors and assigns to execute upon request any other lawful documents and likewise to perform any other lawful acts which may be necessary or desirable to secure fully for the Lender, all right, title and interest in and to the Collateral, including, but not limited to, the execution of substitution, reissue, divisional or continuation patent applications; and preliminary or other statement of the giving of testimony in any interference or other proceeding in which the Collateral or any application, Patent or Trademark directed thereto or derived therefrom may be involved.

(k) **License Agreements.** The Grantor shall comply with its obligations under each of its Patent Licenses and Trademark Licenses.

(l) **Changes in Locations, Name, Etc.** The Grantor will not (i) change the location of its chief executive office/chief place of business from that specified in Section 3(e) or (ii) change its name, identity or corporate structure to such an extent that any statement filed by the Lender with the PTO in connection with this Agreement would become misleading, unless it shall have given the Lender at least 30 days prior written notice thereof and, prior to such action or event, shall have taken appropriate action satisfactory to the Lender to preserve and protect the Lender's collateral assignment and the Security Interest under this Agreement.

(m) **Subsidiaries.** This Agreement is entered into on behalf of and for the benefit of the Grantor. The Grantor will not permit any of its Subsidiaries or Affiliates or any other entities controlled by the Grantor to have any ownership or other rights in or to exercise any control over the Collateral.

(n) **Indemnification.** The Grantor agrees to indemnify and hold harmless the Lender and its officers, partners, managers, directors, Affiliates, agents and investment advisors (each, an "Indemnified Person") from and against any and all claims, demands, losses, judgments and liabilities (including liabilities for penalties) of whatsoever kind or nature, and to reimburse the Lender for all costs and expenses, including reasonable attorneys' fees and expenses, arising out of or resulting from this Agreement, including any breach hereof or Event of Default, or the exercise by the Lender of any right or remedy granted to it hereunder or under the other Loan Documents or under applicable law, *provided, however*, that the Grantor shall not be required to indemnify a particular Indemnified Person to the extent any claim, demand, loss, judgment,

liability, cost or expense is determined by final judgment (not subject to further appeal) of a court of competent jurisdiction to have arisen primarily from the gross negligence or willful misconduct of such Indemnified Person. In no event shall any Indemnified Person other than the Lender have any liability or obligation to the Grantor under this Agreement or applicable law (liability under which the Grantor hereby waives) for any matter or thing in connection with this Agreement, and in no event shall the Lender be liable, in the absence of a determination of gross negligence or willful misconduct on its part by final judgment (not subject to further appeal) of a court of competent jurisdiction, for any matter or thing in connection with this Agreement other than to account for moneys actually received by it in accordance with the terms hereof. If and to the extent that the obligations of the Grantor under this Section 4(n) are unenforceable for any reason, the Grantor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law. In any suit, proceeding or action brought by the Lender or under any Account or Contract that constitutes part of the Collateral for any sum owing thereunder, or to enforce any provisions of any such Account or Contract, the Grantor will save, indemnify and keep the Lender harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by the Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from the Grantor.

#### 5. Lender's Powers.

(a) **Powers.** The Grantor hereby irrevocably constitutes and appoints the Lender and any officer or agent thereof or investment advisor thereto, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Grantor and in the name of the Grantor or in its own name, from time to time in the Lender's discretion, during any period in which an Event of Default is continuing, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Grantor hereby gives the Lender and each such officer, agent and investment advisor the power and right, on behalf of the Grantor, without notice to or assent by the Grantor, except any notice required by law, to do the following:

(1) to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under or with respect to any Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Lender for the purpose of collecting any and all such moneys due under or with respect to any such Collateral whenever payable, in each case in the name of the Grantor or its own name, or otherwise;

(2) to pay or discharge taxes and Liens levied or placed on or threatened against the Collateral and to pay all or any part of the premiums therefor and the costs thereof; and

(3) (A) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Lender or as the Lender shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against the Grantor with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described in clause (E) above and, in connection therewith, to give such discharges or releases as the Lender may deem appropriate; (G) to assign (along with the goodwill of the business pertaining thereto) any Patent or Trademark for such term or terms, on such conditions, and in such manner, as the Lender shall in its sole discretion determine; and (H) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Lender were the absolute owner thereof for all purposes, and to do, at the Lender's option and the Grantor's expense, at any time, or from time to time, all acts and things which the Lender deems necessary to protect, preserve or realize upon the Collateral and the Lender's Liens thereon and to effect the intent of this Agreement, all as fully and effectively as the Grantor might do.

The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable until the Grantor shall have paid and performed in full all of the Obligations.

**(b) Filing and Recordation.** In addition to the filings the Grantor is required to make as specified in Exhibit C, this Agreement or an instrument referring hereto may be filed and recorded in such public offices and with such governmental authorities, including the PTO, as the Lender may determine from time to time. The Lender may so file and record this Agreement as a "security interest", "collateral assignment", "assignment" or similar designation as the Lender may determine (so long as such designation is consistent with the terms of this Agreement) and the Lender may from time to time rerecord and refile or take other action to change the designation under which this Agreement is filed or recorded (so long as such designation is consistent with the terms of this Agreement).

**(c) Other Powers.** The Grantor also authorizes the Lender, at any time and from time to time, to execute, in connection with the sale provided for herein, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

**(d) No Duty on Lender's Part.** The powers conferred on the Lender hereunder are solely to protect the Lender's interests in the Collateral and shall not impose any duty upon the Lender to exercise any such powers. The Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, partners, managers, employees or agents shall be responsible to the

Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

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

6. **Performance by Lender of Grantor's Obligations.** If the Grantor fails to perform or comply with any of its agreements contained herein and the Lender, as provided for by the terms of this Agreement and following reasonable notice to the Grantor, may itself perform or comply, or otherwise cause performance or compliance, with such agreement, and the expenses of the Lender incurred in connection with such performance or compliance shall be payable by the Grantor to the Lender on demand and shall constitute Obligations secured hereby.

7. **Remedies.** Subject to the terms of the Intercreditor Agreement and Note Agent's rights thereunder, if an Event of Default has occurred and is continuing, the Lender may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, and subject to the rights of the Note Agent under the Intercreditor Agreement, if an Event of Default has occurred and is continuing, the Lender, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below or expressly provided for) to or upon the Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are, to the extent permitted by applicable law, hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, license, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), at public or private sale or sales, at any exchange, broker's board or office of the Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Grantor, which right or equity is hereby waived, to the extent permitted by applicable law, or released.

Subject to the rights of the Note Agent under the Intercreditor Agreement, the Grantor further agrees, if an Event of Default has occurred and is continuing, at the Lender's request, to assemble the Collateral and make it available to the Lender at places which the Lender shall reasonably select, whether at the Grantor's premises or elsewhere. The Lender shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Lender hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Lender may elect, and only after such application and after the payment by the Lender of any other amount required by any provision of law, need the Lender account for the surplus, if any, to the Grantor. To the extent permitted by applicable law, the Grantor waives all claims, damages and demands it may acquire against the Lender arising out of the exercise by it of any rights hereunder, *provided*, that nothing contained in this Section shall relieve the Lender from liability arising solely from its gross negligence or willful misconduct. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten days before such sale or other disposition. The Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Lender to collect such deficiency.

**8. Limitation on Duties Regarding Preservation of Collateral.** The Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under the Code or otherwise, shall be to deal with it in the same manner as the Lender deals with similar property for its own account. Neither the Lender nor any of its directors, partners, managers, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or otherwise.

**9. Powers Coupled with an Interest.** All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest until the Grantor has paid and performed in full all of the Obligations.

**10. Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**11. Paragraph Headings, Captions, Etc.** The paragraph headings, the captions and the footers, used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

**12. No Waiver; Cumulative Remedies.** The Lender shall not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and

conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Lender would otherwise have on any future occasion. The rights and remedies herein and in the other Loan Documents provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law or in equity or by statute.

**13. Waivers and Amendments; Successors and Assigns.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the party to be charged with enforcement. This Agreement shall be binding upon the successors and assigns of the Grantor and shall inure to the benefit of the Lender and its successors and assigns. The Grantor may not assign its rights or obligations under this Agreement without the prior written consent of the Lender, which may be withheld by the Lender in its sole and absolute discretion.

**14. Termination of Security Interest; Release of Collateral.** (a) Upon the payment and performance in full by the Grantor of the Obligations, all right, title and interest of the Lender in and to the Collateral, including the Security Interest, pursuant to this Agreement shall terminate and all rights to the Collateral shall revert to the Grantor.

(b) Upon any such termination of the Security Interest, the Lender will, at the expense of the Grantor, execute and deliver to the Grantor such documents and take such other actions as the Grantor shall reasonably request to evidence the reassignment of the Collateral to the Grantor and the termination of the Security Interest. The Lender shall deliver to the Grantor all Collateral so released then in its possession.

**15. Notices.** Any notices required or permitted to be given under the terms of this Agreement shall be in writing and shall be sent by mail, personal delivery, or courier and shall be effective five days after being placed in the mail, if mailed, or upon receipt, if delivered personally or by courier, in each case addressed to a party at such party's address shown below or such other address as a party shall have provided by notice to the other party in accordance with this provision. In the case of any notice to the Grantor, such notice shall be addressed to the Grantor at 10500 N.E. 8<sup>th</sup> Street, Suite 1400, Bellevue, Washington 98004, Attention: Chief Financial Officer, with a copy to Sichenzia Ross Friedman Ference LLP, 1065 Avenue of the Americas, 21<sup>st</sup> Floor, New York, New York 10018, Attention: Richard A. Friedman, Esq., and in the case of any notice to the Lender, such notice shall be addressed to the Lender at 685 Fifth Avenue New York, New York 10022, Attention: Greg Zilberstein with a copy to Cohen Tauber Spievack & Wagner LLP, Lexington Avenue, New York, New York 10170, Attention: Adam Stein, Esq.

**16. Fees and Expenses.** The Grantor agrees to pay the fees of the Lender in performing its services under this Agreement and all reasonable expenses (including but not limited to attorneys' fees and costs for legal services, costs of insurance and payments of taxes or other charges) of, or incidental to, the custody, care, sale or realization on any of the Collateral or

in any way relating to the performance of the obligations or the enforcement or protection of the rights of the Lender hereunder.

**17. Survival.** All representations, warranties, covenants and agreements of the Grantor and of the Lender contained herein will survive the execution and delivery hereof and the release of any Collateral pursuant hereto and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Lender or the Grantor or any person who controls the Lender or the Grantor.

**18. Grantor's Obligations Absolute, Etc.** The obligations of the Grantor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever, including, without limitation: (a) any renewal, extension, amendment or modification of or addition or supplement to or deletion from any of the Loan Documents or any other agreement or instrument referred to therein, or any assignment or transfer of any thereof; (b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such Loan Document or other agreement or instrument; (c) any furnishing of any additional security to the Lender or its assignees or any acceptance thereof or any release of any security by the Lender or its assignees; (d) any limitation on any party's liability or obligations under any such Loan Document or other agreement or instrument or any invalidity or unenforceability, in whole or in part, of any such Loan Document or other agreement or instrument or any term thereof; or (e) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to the Grantor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not the Grantor shall have notice or knowledge of any of the foregoing.

**19. Integration.** This Agreement represents the entire agreement of the Grantor and the Lender with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Lender relative to subject matter hereof not expressly set forth or referred to herein.

**20. Counterparts; Execution.** This Agreement may be executed in any number of counterparts and all the counterparts taken together shall be deemed to constitute one and the same instrument. This Agreement, once executed by a party, may be delivered to the other party hereto by electronic transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

**21. Governing Law.** This Agreement and the rights and obligations of the Grantor under this Agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of New York, except to the extent that, under the New York Uniform Commercial Code, the laws of another jurisdiction govern matters of perfection and the effect of perfection or non-perfection of any security interest granted hereunder.

**22. Construction.** The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

IN WITNESS WHEREOF, the Grantor and the Lender have caused this Agreement to be duly executed and delivered by their respective officers or other representatives thereunto duly authorized as of the date first above written.

EMAGIN CORPORATION

By: [Signature]  
Name: K. C. PARK  
Title: Interim CEO

MORIAH CAPITAL, L.P.

By: Moriah Capital Management, L.P.  
General Partner

By: Moriah Capital Management, GP, LLC  
General Partner



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

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS:

On this 21 day of August, 2007, before me personally appeared Kc Park proved to me on the basis of satisfactory evidence to be the person who executed the above Patent and Trademark Security Agreement as \_\_\_\_\_ on behalf of eMagin Corporation, a Delaware corporation, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Carol A Miller  
NOTARY PUBLIC

STATE OF Washington )  
COUNTY OF King ) SS:



On this \_\_\_ day of August \_\_, 2007, before me personally appeared \_\_\_\_\_ proved to me on the basis of satisfactory evidence to be the person who executed the above Patent and Trademark Security Agreement as \_\_\_\_\_ on behalf of Moriah Capital L.P., as Lender and acknowledged to me that the limited partnership executed it.

WITNESS my hand and official seal.

\_\_\_\_\_  
NOTARY PUBLIC

MORIAH CAPITAL, L.P.

By: Moriah Capital Management, L.P.,  
General Partner

By: Moriah Capital Management, GP, LLC,  
General Partner



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

For eMagin Corporation:

STATE OF Washington )  
COUNTY OF King ) SS:

Subscribed and sworn to this 21 day of Aug, 2007.

Carol A Miller  
Notary Public

My Commission Expires: 3/22/09

For Moriah Capital, L.P.:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS:

Subscribed and sworn to this \_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**EXHIBIT A**  
**Patents, Patent Licenses and Patent Applications**  
**ISSUED PATENTS**

<b>Patent Number</b>	<b>Title</b>	<b>Issue Date</b>
7,068,258	Portable communication device with virtual image display module	June 27, 2006
2,173,248 (Canada)	Head Mounted Display System with Aspheric Optics (corr. to 5,543,816)	May 27, 2005
6,885,147	Organic Light Emitting Diode Devices with Improved Anode Stability	April 26, 2005
2,173,624 (Canada)	Binocular Head Mounted Display System	March 29, 2005
6,858,989	Method and System for Stabilizing Thin Film Transistors in AMOLED displays	February 22, 2005
6,809,710	Grey Scale Pixel Driver for Electronic Display and Method of Operation Therefor	October 26, 2004
6,809,710	Grey Scale Pixel Driver for Electronic Display and Method of Operation Therefor	October 26, 2004
6,760,034	Three Dimensional Display Emulation Method and System	July 6, 2004
98808734,0	Laser Ablation Method to Fabricate Color Organic Light Emitting Diode Displays	May 26, 2004
6,657,224	Organic Light Emitting Diode Devices Using Thermostable Hole-Injection and Hole-Transport Compounds	December 2, 2003
6,608,283	Apparatus and Method for Solder-Sealing an active Matrix Organic Light Emitting Diode	August 19, 2003
6,608,439	Inorganic-Based Color Conversion Matrix Element for Organic Color Display Devices and Method of Fabrication	August 19, 2003
6,288,232	Synthesis of Pyrazolinynaphthalic Acid Derivatives	September 11, 2001

6,278,237	Laterally Structured High Resolution Multicolor Organic Electroluminescence Display Device	August 21, 2001
6,265,820	Heat Removal System for use in Organic Light Emitting Diode Displays Having High Brightness	July 24, 2001
6,255,771	Flashover Control Structure for Field Emitter Displays and Method of making the same	July 3, 2001
6,232,934	Binocular Head Mounted Display System	May 15, 2001
6,218,777	Field Emission Display Spacer with Guard Electrode	April 14, 2001
6,215,840	Method and Apparatus for Sequential Memory Addressing	April 10, 2001
6,204,975	Reflective Micro-Display System	March 20, 2001
6,198,214	Large Area Spacer-Less Field Emissive Display Package	March 6, 2001
6,198,220	Sealing Structure for Organic Light Emitting Devices	March 6, 2001
6,181,304	Convertible Right Eye/Left Eye Monocular Head Mounted Display System	January 30, 2001
6,169,358	Method and Apparatus for Flashover Control Including a High Voltage Spacer for Parallel Plate Electron Beam Array Devices and Method of Making Thereof	January 2, 2001
6,166,820	Laser Interferometric Lithographic System Providing Automatic Change of Fringe Spacing	December 26, 2000
6,157,291	Head Mounted Display System	December 5, 2000
6,144,145	High Performance Field Emitter and Method of Producing the Same	November 7, 2000
6,136,621	High Aspect Ratio Gated Emitter Structure and Method of Making	October 24, 2000
6,101,028	Miniature Microscope	August 8, 2000
6,069,443	Passive Matrix OLED Display	May 30, 2000
6,060,728	Organic Light Emitting Device Structure and Process	May 9, 2000

6,027,388	Lithographic Structure and Method for Making Field Emitters	February 22, 2000
6,023,259	OLED Active Matrix Using a Single Transistor Current Mode Pixel Design	February 8, 2000
6,016,033	Electrode Structure for High Resolution Organic Light-Emitting Diode Displays and Method for Making the Same	January 18, 2000
6,005,720	Reflective Micro-Display System	December 21, 1999
5,965,898	High Aspect Ratio Gated Emitter Structure and Method of Making	October 12, 1999
5,959,725	Large Area Energy Beam Intensity Profiler	September 28, 1999
5,920,080	Emissive Display Using Organic Light Emitting Diodes	July 6, 1999
5,903,098	Field Emission Display Device Having Multiplicity of Through Conductive Vias and a Backside Connector	May 11, 1999
5,903,243	Compact body-Mountable Field Emission Display Device and Display Panel Having Utility for use Therewith	May 11, 1999
5,771,098	Laser Interferometric Lithographic System Providing Automatic Change of Fringe Spacing	June 23, 1998
5,708,449	Binocular Head Mounted Display System	January 13, 1998
5,688,158	Planarizing Process for Field Emitter Displays and Other Electron Source Applications	November 18, 1997
5,672,938	Light Emission Device Comprising Light Emitting Organic Material and Electron Injection Enhancement Structure	September 30, 1997
5,663,608	Field Emission Display Devices, and Field Emission Electron Beam Source and Isolation Structure Components Therefor	September 2, 1997
5,647,785	Methods of Making Vertical Microelectronic Field Emission Devices	July 15, 1997
Des 380,482	Head Mounted Display System	July 1, 1997

5,629,583	Flat Panel Display Assembly Comprising Photoformed Spacer Structure and Method of Making the Same	May 13, 1997
5,619,889	Method of Making Microstructural Surgical Instruments	April 15, 1997
5,619,097	Panel Display with Dielectric Spacer Structure	April 8, 1997
5,587,623	Field Emitter Structure and Method of Making the Same	December 24, 1996
5,583,393	Selectively Shaped Field Emission Electron Beam Source and Phosphor Array for use Therewith	December 10, 1996
5,561,339	Field Emission Array Magnetic Sensor Devices	October 1, 1996
5,548,181	Field Emission Device Comprising Dielectric Overlayer	August 20, 1996
5,546,099	Head Mounted Display System Light Blocking Structure	August 13, 1996
5,543,816	Head Mounted Display System with Aspheric Optics	August 6, 1996
5,539,422	Head Mounted Display System	July 23, 1996
5,534,743	Field Emission Display Devices, and Field Emission Electron Beam Source and Isolation Structure Components Therefor	July 9, 1996
5,529,524	Method of Forming a Spacer Structure Between Opposedly Facing Plate Members	June 25, 1996
Des 359,729	Portable Interface Unit for a Head-Up Display System	June 27, 1995
5,144,191	Horizontal Microelectronic Field Emission Devices	September 1, 1992
5,126,287	Self-Aligned Electron Emitter Fabrication Method and Device Formed Thereby	June 30, 1992
4,902,898	Wand Optices Column and Associated Array Wand and Charged Particle Source	February 20, 1990
98808734.0 (China)	Laser Ablation Method To Fabricate Color OLED Displays	May 26, 2004

**PATENT APPLICATIONS IN PROGRESS**

<u>Patent Application No.</u>	<u>Title</u>	<u>Issue Date</u>
11/169,154	Method of Clearing Electrical Contact Pads in Thin Film Sealed OLED Devices	N/A
09/785,270	Display Method and System	N/A
09/849,745	Portable Communication Device With Virtual Image Display Module	N/A
60/684,633	Tapered Fiber Optic Bundle Megadisplay	N/A
60/583,158	Photoresist Laser Ablation	N/A
09/814,853	Light Extraction from Color Changing Medium Layers in Organic Light Emitting Diode Devices	N/A
504797/99 (Japan)	Emissive Display Using Organic Light Emitting Diodes	N/A
2000-550128 (Japan)	An Improved Electrode Structure for Organic Light Emitting Diode Devices	N/A
6-523218 (Japan)	Head Mounted Display System	N/A
9-531760 (Japan)	Support for a Head Mounted Display System	N/A
2004-261527 (Japan; divisional)	Binocular Head Mounted Display System	N/A
2000-565526 (Japan)	Convertible Right Eye/Left Eye Monocular Head Mounted Display System	N/A
2000-589993 (Japan)	Reflective Micro-Display System; Miniature Microscope and Reflective Micro-display system respectively	N/A
01950594,0 (Europe)	OLED Devices Using Thermostable Hole-Injection and Hole-Transport Compounds	N/A
11/439,014	Tapered Fiber Optic Bundle Metadisplay	N/A
11/402,092	Auto-calibrating Gamma Correction Circuit	N/A

11/399,170	OLED Active Matrix Cell Designed For Optimal Uniformity	N/A
133,678 (Israel)	Emissive Display Using Organic Light Emitting Diodes	N/A
60/755,907	Automatic Timeout Image Orientation System For FOLED Micro-display	N/A
60/725,406	Novel OLED Lighting Device	N/A
2,490,344 (Canada; divisional)	Binocular Head-Mounted Display System	N/A



**KODAK PATENTS (partial list)**

<b>Topic</b>	<b>U.S. Pat. No.</b>	<b>Issued</b>
Multilayer structure	4,356,429	1982
Multilayer structure - Alq	4,539,507	1985
Porphyrin injecting layer	4,720,432	1988
Luminescent zone - dye dopant	4,769,292	1988
Improved cathode	4,885,211	1989
Silazane HTL	4,950,950	1990
Improved intensity circuit	4,996,523	1991
Cathode overlayer for stability	5,047,687	1991
Cathode metal cap	5,059,861	1991
Mg, Al cathode	5,059,862	1991
Organic amines HTL	5,061,569	1991
Fused metal cathode	5,073,446	1991
Blue emitters	5,141,671	1992
Blue emitters	5,150,006	1992
Blue emitters	5,151,629	1992
Integral shadow mask	5,276,380	1994
Integral shadow mask color	5,294,869	1994
Color change medium	5,294,870	1994
White emitter (2-layer) BA1q	5,405,709	1995
Phalocyanine dopant	5,409,783	1995
OLED ultra thin device	5,482,896	1996
ALQ blue	5,484,922	1996
OLED ultra thin substrate	5,530,269	1996
OLED TFT process	5,550,066	1996
AC drive scheme	5,552,678	1997
Polyaromatic amine HTL	5,554,450	1996
Quinacridone green	5,593,788	1997
Electron injector (silicides etc.)	5,608,287	1997
Camera data printer	5,634,156	1997
Blue emitter oxadizoles	5,645,948	1997
Camera Information Display	5,652,930	1997
White emitter structure	5,683,823	1997
OLED TFT device	5,684,365	1997
Blue emitter metal complex	5,755,999	1998
LiF cathode	5,776,622	1998

**EXHIBIT B**  
**Trademarks and Trademark Licenses**

Serial App. No.	Item	Status	Filing Date	Published, Allowed, or Registered
78-463416	VIRTUAL VISION VERACITY (Block letters)	Allowed - 1st extension of time granted	Aug 6, 2004	P May 2, 2006
78-463402	VERACITY (Block letters)		Aug 6, 2004	A Sep 27, 2005
78-235749	EGLASS	Registered, Int'l	Apr 9, 2003	R Aug 17, 2004
78-853656	PRIVATE EYES (Block letters)	Pending - Initialized, Int'l	Apr 4, 2006	
78-853655	PRIVATE EYE	Pending - Initialized, Int'l	Apr 4, 2006	
78-852411	EYEVIEWER	Pending - Initialized, Int'l	Apr 3, 2006	
78-852409	EYEWITNESS (	Pending - Initialized, Int'l	Apr 3, 2006	
78-541421	Z800 3D VISOR	Pending - Non-final action, Int'l	Jan 3, 2005	
78-667562	PERSONAL VIEWER	Pending - Non-final action, Int'l	Jul 11, 2005	
78-667564	3DVISOR	Pending - Suspension letter, Int'l	Jul 11, 2005	
78-667565	GET INSIDE THE GAME	Pending - Non-final action, Int'l	Jul 11, 2005	
78-720607	EYEBUD	Pending - Non-final action, Int'l	Sep 26, 2005	
75-856770	EMAGIN	Registered, Int'l	Nov 23, 1999	R Mar 23, 2004
74-285,321	VIRTUAL VISION	Registered	June 16, 1992	Dec. 6, 1994

**EXHIBIT C**

**Filings Required for Collateral Assignment  
and to Perfect Security Interest**

1. Filing with the PTO
2. Filing of UCC-1 Financing Statement with the State of Delaware

**EXHIBIT D**

**FORM OF PATENT COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT**

This **PATENT SECURITY AGREEMENT**, dated as of August 7, 2007, made by eMagin Corporation, a Delaware corporation (the "Grantor"), to Moriah Capital, L.P., a Delaware limited partnership, as "Lender".

Capitalized terms not otherwise defined herein have the meaning set forth in the Loan Agreement (as defined below).

**WITNESSETH:**

**WHEREAS**, the Grantor has acquired certain right, title and interest in certain United States patents and patent applications identified in **Exhibit 1** hereto (the "Patents");

**WHEREAS**, the Grantor and the Lender are parties to that certain Loan and Security Agreement, dated as of August 7, 2007 (as from time to time amended or supplemented, the "Loan Agreement");

**WHEREAS**, the Grantor and the Lender have entered into an accounts receivable and inventory-based revolving loan credit facility with Lender pursuant to which Lender may make loans to Borrower pursuant to the Loan Agreement;

**WHEREAS**, it is a condition precedent to the Lender's entry into the Loan Agreement that the Grantor shall have executed and delivered a Patent and Trademark Security Agreement to the Lender;

**WHEREAS**, the Grantor wishes to grant to the Lender a security interest in certain of its property and assets to secure the performance of its obligations under the Loan Documents; and

**WHEREAS**, the Grantor and Lender by this instrument seek to confirm and make a record of the collateral assignment of and grant of a security interest in the Patents.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Grantor does hereby acknowledge and confirm that it has made a collateral assignment to the Lender of, and has granted to the Lender a security interest in, all of the Grantor's right, title and interest in, to, and under the Patents. The Grantor also acknowledges and confirms that the rights and remedies of the Lender with respect to the collateral assignment of and security interests in the Patents acknowledged and confirmed hereby are more fully set forth in the Patent and Trademark Security Agreement and the Loan Documents, the terms and provisions of which are incorporated herein by reference.

**EMAGIN CORPORATION**

By: [Signature]  
Name: K.C. PARK  
Title: Interim CEO

**MORIAH CAPITAL, L.P.**

By: **Moriah Capital Management, L.P.,  
General Partner**

By: **Moriah Capital Management, GP, LLC,  
General Partner**



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

For eMagin Corporation:

STATE OF Washington )  
COUNTY OF King ) SS:

Subscribed and sworn to this 21<sup>st</sup> day of Aug, 2007.

Carol A Miller  
Notary Public

My Commission Expires: 3/22/09

For Moriah Capital, L.P.:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS:

Subscribed and sworn to this \_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**EXHIBIT D-1**

**Patents and Patent Applications**

**EXHIBIT E**

**FORM OF TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT**

This **TRADEMARK SECURITY AGREEMENT**, dated as of August 7, 2007, made by eMagin Corporation, a Delaware corporation (the "Grantor"), to Moriah Capital, L.P., a Delaware limited partnership, as "Lender".

Capitalized terms not otherwise defined herein have the meaning set forth in the Loan Agreement (as defined below).

**WITNESSETH:**

**WHEREAS**, the Grantor has acquired an interest in certain trademarks identified in Exhibit B hereto (the "Trademarks");

**WHEREAS**, the Grantor and the Lender are parties to that certain Loan and Security Agreement, dated as of August 7, 2007 (as from time to time amended or supplemented, the "Loan Agreement");

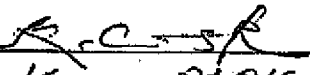
**WHEREAS**, it is a condition precedent to the Lender's entry into the Loan Agreement that the Grantor shall have executed and deliver a Patent and Trademark Security Agreement to the Lender;

**WHEREAS**, the Grantor wishes to grant to Lender a security interest in certain of its property and assets to secure the performance of its obligations under the Loan Documents;

**WHEREAS**, the Grantor and the Lender by this instrument seek to confirm and make a record of the collateral assignment of and grant of a security interest in the Trademarks.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Grantor does hereby acknowledge and confirm that it has made a collateral assignment to the Lender of, and has granted to the Lender a security interest in, all of the Grantor's interests the Trademarks. The Grantor also acknowledges and confirms that the rights and remedies of Lender with respect to the collateral assignment of and security interests in the Trademarks acknowledged and confirmed hereby are more fully set forth in the Patent and Trademark Security Agreement and the Loan Documents, the terms and provisions of which are incorporated herein by reference.

**EMAGIN CORPORATION**

By:   
Name: K. S. PARK  
Title: Interim CEO

MORIAH CAPITAL, L.P.

By: Moriah Capital Management, L.P.,  
General Partner

By: Moriah Capital Management, GP, LLC,  
General Partner



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

For eMagin Corporation:

STATE OF Washington )

COUNTY OF King ) SS:

Subscribed and sworn to this 21 day of Aug, 2007.

Carol A Miller  
Notary Public

My Commission Expires: 3/22/09

For Moriah Capital, L.P.:

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ ) SS:

Subscribed and sworn to this \_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_