UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) March 27, 2013

VUZIX CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

000-53846	**04-3392453**
(Commission File Number)	(IRS Employer Identification No.)

2166 Brighton-Henrietta Townline Road, Rochester, New York 14623
(Address of principal executive offices)(Zipcode)

(585) 359-5900
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:
☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On March 27, 2013, Vuzix Corporation (the "Company") entered into a debt conversion agreement, and on March 31, 2013, the Company entered into an amendment thereto (as amended, the "VTI Agreement") with Vast Technologies, Inc. ("VTI"). Pursuant to the VTI Agreement, VTI agreed to convert its outstanding secured promissory note, in the principal amount of $838,096 (as of December 31, 2012), together with accrued interest thereon (equal to $119,051 as of December 31, 2012) into shares of the Company's common stock, subject to the closing of the Company's proposed public stock offering by June 30, 2013, at a conversion price equal to the public offering price, subject to approval of the TSX Venture Exchange. The Company agreed to prepare and file with the Securities and Exchange Commission (the "SEC"), within 30 days of such conversion, a registration statement for the resale of the shares of common stock issuable upon such conversion, and to cause such registration statement to be declared effective by the SEC within 90 days of such conversion.

On March 27, 2013, the Company entered into a debt conversion agreement, and on April 1, 2013, the Company entered into an amendment thereto (as amended, the "Kopin Agreement") with Kopin Corporation ("Kopin"). Pursuant to the Kopin Agreement, Kopin agreed to convert its outstanding secured promissory note, in the principal amount of $482,547 (as of December 31, 2012), together with accrued interest thereon (equal to $60,996 as of December 31, 2012) into shares of the Company's common stock, subject to the closing of the Company's proposed public stock offering by June 30, 2013, at a conversion price equal to the public offering price, subject to approval of the TSX Venture Exchange. The Company agreed to prepare and file with the SEC, within 30 days of such conversion, a registration statement for the resale of the shares of common stock issuable upon such conversion, and to cause such registration statement to be declared effective by the SEC within 90 days of such conversion.

On March 27, 2013, the Company entered into a debt conversion agreement, and on March 31, 2013, the Company entered into an amendment thereto (as amended, the "Travers Debt Conversion Agreement") with Paul Travers, the Company's chief executive officer. Pursuant to the Travers Debt Conversion Agreement, Mr. Travers agreed to convert his outstanding secured promissory notes, in the aggregate principal amount of $434,927, together with accrued interest thereon (equal to $231,525 as of December 31, 2012), into shares of the Company's common stock, subject to the closing of the Company's planned public stock offering by June 30, 2013, at a conversion price equal to the public offering price, subject to approval of the TSX Venture Exchange. The Company agreed to prepare and file with the SEC, within 30 days of such conversion, a registration statement for the resale of the shares of common stock issuable upon such conversion, and to cause such registration statement to be declared effective by the SEC within 90 days of such conversion.

On March 27, 2013, the Company entered into a deferred compensation deferral and conversion option agreement (the "Travers Deferred Compensation Agreement") with Paul Travers, which agreement is subject to the closing of the Company's proposed public stock offering by June 30, 2013, and which agreement is effective upon such closing. Pursuant to the Travers Deferred Compensation Agreement, Mr. Travers and the Company agreed that, unpaid salary owed to Mr. Travers, in the amount of $815,168 (including $268,536 in accrued interest, as of December 31, 2012), will be convertible into shares of the Company's common stock, at Mr. Travers's option, at a conversion price equal to the offering price of the Company's proposed public stock offering, subject to approval of the TSX Venture Exchange. In addition, the Company agreed to pay any remaining unconverted amounts beginning April 1, 2014 in equal monthly payments over a maximum of 12 months. The Company granted to Mr. Travers piggyback and demand registration rights with respect to the shares of common stock issuable upon such conversion.

On March 27, 2013, the Company entered into a deferred compensation deferral and conversion option agreement (the "Russell Deferred Compensation Agreement") with Grant Russell, the Company's chief financial officer, which agreement is subject to the closing of the Company's planned public stock offering.by June 30, 2013, and which agreement is effective upon such closing. Pursuant to the Russell Deferred Compensation Agreement, Mr. Russell and the Company agreed that, unpaid salary owed to Mr. Russell, in the amount of $637,567 (including $174,102 in accrued interest, as of December 31, 2012), will be convertible into shares of the Company's common stock, at Mr. Russell's option, at a conversion price equal to the offering price of the Company's proposed public stock offering, subject to approval of the TSX Venture Exchange. In addition, the Company agreed to pay any remaining unconverted amounts beginning April 1, 2014 in equal monthly payments over a maximum of 12 months. The Company granted to Mr. Russell piggyback and demand registration rights with respect to the shares of common stock issuable upon such conversion.

On March 29, 2013, the Company entered into a conversion/exchange agreement (the "LC Capital Agreement") with LC Capital Master Fund Ltd. ("LC Capital"). Pursuant to the LC Capital Agreement, LC Capital agreed, subject to the closing of the Company's proposed public stock offering, to convert its outstanding convertible note, in the principal amount of $619,122, together with accrued interest thereon (equal to $22,907 as of March 29, 2013), into shares of the Company's common stock, , at a conversion price equal to, in LC Capital's option, the public offering price of the Company's proposed public stock offering, or pursuant to the terms of the convertible note. LC Capital also agreed subject to the closing of the Company's proposed public stock offering, to exchange outstanding warrants to purchase 533,333 shares of the Company's common stock into the greater of (a) 200,000 shares of the Company's common stock, or (B) the Black Scholes value of the warrants (calculated using the Bloomberg OV function) as of the date of the pricing of the Company's proposed public stock offering based upon the per share offering price of the common stock in the Company's proposed public stock offering,. The Company agreed to prepare and file with the SEC, within 45 days of such conversion and exchange, a registration statement for the resale of the shares of common stock issuable upon such conversion and exchange, and to cause such registration statement to be declared effective by the SEC within 90 days of such conversion and exchange. LC Capital may terminate the LC Capital Agreement if the closing of such conversion and exchange does not occur by June 30, 2013 or if the Company's board of directors does not approve such conversion and exchange by April 12, 2013, or withdraws such approval.

In connection with the foregoing, the Company relied upon the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended, for transactions not involving a public offering.

The above descriptions of the material terms of the VTI Agreement, Kopin Agreement, Travers Debt Conversion Agreement, Travers Deferred Compensation Agreement, Russell Deferred Compensation Agreement, and LC Capital Agreement, are qualified in their entirety by reference to the text of such VTI Agreement, Kopin Agreement, Travers Debt Conversion Agreement, Travers Deferred Compensation Agreement, Russell Deferred Compensation Agreement, and LC Capital Agreement, which are filed as exhibits to this Current Report on Form 8-K and are incorporated by reference herein.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 is incorporated by reference herein.

Item 8.01 Other Events.

On April 1, 2013, the Company issued a press release regarding the transactions described in Item 1.01, a copy of which is filed as Exhibit 99.1

Item 9.01 Financial Statements and Exhibits

Exhibit No.	**Description**
10.1	Debt Conversion Agreement between the Company and Vast Technologies, Inc.
10.2	Debt Conversion Agreement between the Company and Kopin Corporation
10.3	Debt Conversion Agreement between the Company and Paul Travers
10.4	Deferred Compensation and Conversion Option Agreement between the Company and Paul Travers
10.5	Deferred Compensation and Conversion Option Agreement between the Company and Grant Russell
10.6	Conversion/Exchange Agreement between the Company and L C Capital Master Fund Ltd.
10.7	Amendment to Debt Conversion Agreement between the Company and Vast Technologies, Inc.
10.8	Amendment to Debt Conversion Agreement between the Company and Kopin Corporation
10.9	Amendment to Debt Conversion Agreement between the Company and Paul Travers
99.1	Press Release dated April 1, 2013

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 2, 2013

VUZIX CORPORATION

By: /s/ Paul J. Travers
Paul J. Travers
President and
Chief Executive Officer

DEBT CONVERSION AGREEMENT

THIS DEBT CONVERSION AGREEMENT ("AGREEMENT"), dated as of March 21st, 2013, between Vuzix Corporation, a Delaware corporation (the "Company") on the one hand and Vast Technologies, Inc., whose address is 7F, No 80 SEC 1 Kuang Fu Rd., San Chung, Taipei, 24158, Taiwan on the other hand, (the "Holder").

WHEREAS, in 2009, the Holder entered into a Deferral of Accounts Payable agreement which created a secured promissory note of the Company whose unpaid principal amount as of December 31, 2012 was $838,096 (the "Note") along with accrued interest of $119,051;

WHEREAS, the Holder has all previously agreed to forbear the all principal and interest payments due on the Note until July 15, 2013;

WHEREAS, the outstanding nature of the Note along with the Company's other outstanding indebtedness, has continued to negatively impact the Company's operations, including its ability to attract new investors and customers; and

WHEREAS, in order to attract new investors and make financing opportunities more attractive to potential investors, the Company has requested that the Holder convert its Note into shares of the Company's common stock, par value $.001 per share ("Common Stock"), pursuant to the terms set forth herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements of the parties hereinafter set forth, the parties hereto hereby agree as follows:

1. DEBT CONVERSION.

(a) The Holder agrees, subject to the conditions set forth herein, to convert the principal and accrued but unpaid interest on the Note ("Debt Conversion") into shares of Common Stock ("Conversion Shares") at a conversion price equal to the per share offering price of the Company's shares in its proposed secondary offering with Aegis Capital, as further described in Section 4(a)(v), and subject to the approval of the TSX Venture Exchange ("TSXV").

(b) The Company shall comply with all legal requirements applicable and take such other actions as may be necessary to effectuate the Debt Conversion, including, but not limited to, providing notices to, and responding to queries from, all applicable regulatory authorities and stock exchanges and obtaining all necessary regulatory and third party consents.

(c) Subject to the terms and conditions of this Agreement, the consummation of the Debt Conversion shall take place at a closing ("Closing" and the date of the Closing, the "Closing Date") to be held at 10:00 a.m., local time, on the second business day after the date on which the last of the conditions set forth in Section 4 (a) and (b) below is fulfilled, at the offices of Sichenzia Ross Friedman Ference LLP, 32 Floor, 61 Broadway, New York, New York 10006, or at such other time, date or place as the parties may agree upon in writing. The Company shall send to the Holder at least two business days prior to the Closing a notice indicating the amount of unpaid interest accrued through the date of the Closing and the number of shares of Common Stock the Holder will be issued upon the Debt Conversion. At the Closing, the Holder shall deliver its Note for cancellation and the Company shall deliver to the Holder certificates representing the Conversion Shares to which the Holder is entitled as a result of such Debt Conversion. From and after the Closing, the Note shall represent solely the right to receive Conversion Shares. If a Holder has lost its Note and is unable to deliver its Note at the Closing, it shall submit an affidavit of loss and indemnity agreement so that the Note may be replaced and deemed cancelled in accordance with the terms hereof. In the event that as a result of the Debt Conversion, fractions of shares would be required to be issued, such fractional shares shall be rounded up to the nearest whole share. The Company shall pay any documentary, stamp or similar issue or transfer tax due on such Debt Conversion.

(d) Upon and after Closing, any and all obligations of the Company under the Note shall automatically, and without further action, terminate and be null and void, and the Holder hereby authorizes the Company to file a UCC-3 or other appropriate form to terminate any and all liens against the assets and property of the Company, including the Company's intellectual property, software code, trademarks and trade names, or other security interest of the Holder.

(e) Any other accounts payable amounts owed to the Holder by the Company related to the purchases of goods and services not related to the Note will remain fully payable are not in impacted from the Holder's Debt Conversion hereunder. Any such other accounts payable will be paid in full within seven days after the Closing.

2. REPRESENTATIONS AND WARRANTIES OF COMPANY. The Company hereby represents and warrants to the Holder as follows:

(a) As of the date hereof, the Company has 700,000,000 shares of Common Stock authorized, of which 3,536,865 shares of Common Stock are issued and outstanding, and 500,000 shares of preferred stock authorized, of which no shares are issued and outstanding. As of the date hereof, the Company has reserved for issuance 849,371 shares of Common Stock upon exercise of all outstanding options and warrants. All of the issued and outstanding shares of the Company's Common Stock are, and all shares reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable. The Conversion Shares to be issued and delivered to the Holder upon conversion of the Note have been duly authorized and when issued upon such Debt Conversion and in accordance with this Agreement, will be validly issued, fully-paid and non-assessable. The Conversion Shares will be "restricted securities" as defined under Rule 144 promulgated under the Securities Act.

(b) The Company has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. All acts required to be taken by the Company to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken, and this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms and does not conflict with, result in a breach or violation of or constitute (or with notice of lapse of time or both constitute) a default under any instrument, contract or other agreement to which the Company or its subsidiaries is a party.

(c) None of the Company's Certificate of Incorporation, as amended, or Bylaws, or the laws of Delaware, or New York, contains any applicable anti-takeover provision or statute which would restrict the Company's ability to enter into this Agreement or consummate the transactions contemplated by this Agreement or which would limit any of the Holder's rights following consummation of the transactions contemplated by this Agreement.

(d) The Company has delivered or made available through EDGAR and SEDAR to the Holder prior to the execution of this Agreement true and complete copies of all periodic reports, registration statements and proxy statements filed by it with the U.S Securities and Exchange Commission ("Commission" or "SEC") since December 10, 2009. Each of such filings with the Commission (collectively, the "SEC Filings"), as of its filing date, complied in all material respects with the requirements of the rules and regulations promulgated by the Commission with respect thereto and did not contain any untrue statement of a material fact or omit a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which such statements were made.

(e) Since January 1, 2012 and except as disclosed in the SEC Filings, the Company has conducted its business in compliance in all material respects with all applicable laws, rules, regulations, court or administrative orders and processes and rules, directives and orders of regulatory and self-regulatory agencies and bodies, except as would not reasonably be expected, singly or in the aggregate, to be materially adverse to the business, assets or financial condition of the Company.

(f) No representation or warranty by the Company contained in this Agreement contains any untrue statement of a material fact or omits a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which such statements were made.

3. REPRESENTATIONS AND WARRANTIES OF THE HOLDER. The Holder represents and warrants to the Company as follows:

(a) The Holder has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. The Holder represents and warrants that it is the sole legal and beneficial holder of the Note being converted by the Holder. On the Closing Date, Holder shall deliver good, valid and marketable title to the Note transferred to the Company hereunder free and clear of any liens, charges, and encumbrances. All acts required to be taken by the Holder to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken; and this Agreement constitutes a legal, valid and binding obligation of the Holder enforceable in accordance with its terms.

(b) The Holder has reviewed the Company's SEC and SEDAR Filings referred to in Section 2(e) above.

(c) The Holder has been given an opportunity to ask questions and receive answers from the officers and directors of the Company and to obtain additional information from the Company.

(d) The Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company's securities and has obtained, in its judgment, sufficient information about the Company to evaluate the merits and risks of an investment in the Company.

(e) The Holder is relying solely on the representations and warranties contained in Section 2 hereof and in certificates delivered hereunder in making its decision to enter into this Agreement and consummate the transactions contemplated hereby and no oral representations or warranties of any kind have been made by the Company or its officers, directors, employees or agents to the Holder.

(f) The Holder represents, warrants and agrees that (i) the Conversion Shares it receives will be acquired for investment purposes only for their own account or for the account of controlled affiliates, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that they have no present intention of selling, granting any participation in or otherwise distributing the same, (ii) it is not party to any undisclosed contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person with respect to any of Conversion Shares, (iii) it has not been formed for the specific purpose of acquiring the Conversion Shares, (iv) it has received or has had full access to all the information it considers necessary or appropriate for deciding whether to purchase the Conversion Shares and has had an opportunity to ask questions and receive answers regarding the terms and conditions of the Conversion Shares, and the Company's business, properties, prospects and financial condition, (v) that it is financially sophisticated and is able to fend for itself, can bear the economic risk of the investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Conversion Shares, (vi) it is an "accredited investor" or a "qualified institutional buyer" within the meaning of current SEC rules.

(g) The Holder understands that the Conversion Shares it is purchasing are "restricted securities" under U.S. federal securities laws inasmuch as they will be acquired by it from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Conversion Shares may be resold without registration only in certain limited circumstances. The certificates evidencing the Conversion Shares will bear an appropriate legend regarding these restrictions:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR RAMP CORPORATION SHALL HAVE RECEIVED AN OPINION OF ITS COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.
>
> THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT WITHOUT THE PRIOR WRITTERN APPROVAL OF THE TSX VENTURE EXCHANGE BE SOLD, TRANSFERRED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 4 MONTHS AFTER THEIR ISSUANCE.

(h) In the absence of an effective registration statement covering the Conversion Shares, the Conversion Shares may only be resold only in accordance with Regulation S, or in a transaction otherwise exempt from registration. The Holder agrees not to make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") any Conversion Shares for a period of at least 180 days from the Closing Date. They will not Transfer all or any portion of the Conversion Shares unless (a) there is a registration statement declared effective by the SEC under the Securities Act of 1933, as amended (the "1933 Act") with respect to the Conversion Shares to be Transferred and no stop order suspending the effectiveness of such registration statement is then in effect under the 1933 Act and no proceedings for that purpose have then been instituted or (b) the Transfer is made under a valid exemption to registration under the 1933 Act.

4. CONDITIONS.

(a) The obligations of the Company to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of the Holder set forth in Section 3 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings, corporate or otherwise, to be taken by the Holder in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or the Holder shall have been obtained in form and substance reasonably satisfactory to the Company.

(iii) The Holder shall have delivered to the Company for cancellation its Note or an affidavit of loss and indemnity.

(iv) all governmental or regulatory authorizations, approvals, including the approval of the TSXV, or permits that are required for the issuance of the Conversion Shares have been obtained

(v) The Company shall have obtained the necessary approvals for the listing of the Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(b) The obligations of the Holder to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of the Company set forth in Section 2 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings, corporate or otherwise, to be taken by the Company in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or the Holder shall have been obtained in form and substance reasonably satisfactory to the Holder.

(iii) The Company shall have obtained the necessary approvals for the listing of the Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(iv) The Holder shall have delivered to the Company for cancellation its Note or an affidavit of loss and indemnity

5. REGISTRATION.

(a) Registration Upon Conversion.

(i) Promptly and in any event not later than thirty (30) days following the Closing Date (the "Filing Deadline"), the Company shall prepare and file with the U.S. Securities and Exchange Commission (the "SEC"), a Registration Statement on Form S-3 (or such other form as the Company is then eligible to use) registering the resale from time to time by Holder of the Conversion Shares pursuant to a plan of distribution reasonably acceptable to Holder (the "Registration Statement"). The Company shall deliver to Holder a copy of the Registration Statement and give Holder and its counsel the reasonable opportunity to review and comment on the Registration Statement. The Company shall notify Holder promptly the receipt of the comments of the SEC, if any, and of any request by the SEC for amendments or supplements to the Registration Statement or for additional information with respect thereto and if required, provide Holder with copies of all correspondence between the Company or its representatives, on the one hand, and the SEC or members of its staff, on the other hand, with respect to the Registration Statement. The Company shall cause the Registration Statement, including any prospectus contained therein, and any post-effective amendments thereto to comply in all material respects with the requirements of the SEC and, as of their respective dates, to not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) The Company shall cause the Registration Statement to be declared effective by the SEC on the earlier of (a) ninety (90) days after the Closing Date, or (b) the tenth (10) business day following the date on which the Company is notified by the SEC that the Registration Statement will not be reviewed or is no longer subject to further review and comments (the "Effectiveness Deadline"), and to keep such Registration Statement continuously effective under the Securities Act until the earlier of (x) the date on which all Conversion Shares registered on such Registration Statement have been sold by Holder (the "Registration Termination Date"); or (y) the date on which all Conversion Shares may be sold pursuant to the Rule 144 without restriction or limitation.

(iii) The Company shall furnish to Holder such number of copies of the Registration Statement, prospectus supplements and such other documents as Holder may reasonably request, in order to facilitate the public sale or other disposition of all or any of the Conversion Shares;

(iv) As promptly as practicable after becoming aware of such event, notify Holder of the occurrence of any event, as a result of which the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and promptly prepare a supplement to the Registration Statement to correct such untrue statement or omission, and deliver a number of copies of such supplement to Holder as it may reasonably request. As promptly as practicable after becoming aware of such event, notify Holder of the issuance by the SEC of any stop order or other suspension of the effectiveness of the Registration Statement and take all lawful action to effect the withdrawal, rescission or removal of such stop order or other suspension;

(b) With a view to making available to Holder the benefits of certain rules and regulations of the SEC which may permit the sale of the Conversion Shares to the public without registration, the Company shall use commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144(c)(1) or any similar or analogous rule promulgated under the Securities Act, at all times after the Closing Date;

(c) The Company shall take all commercially reasonably actions to cause the Conversion Shares to be listed on the NASDAQ Capital Market within twenty (20) days of their issuance;

(d) All Registration Expenses (as defined below) incurred in connection with the registrations pursuant to this Section 5 shall be borne by the Company. "Registration Expenses" shall mean all expenses incurred by the Company in complying with this Section 5 hereof including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, and the expense of any special audits incident to or required by any such registration;

(e) In the event that the Company has not filed the Registration Statement on or prior to the Filing Deadline, the Company shall, as liquidated damages for such failure, immediately pay in cash (distribute) to Holder 1.75% of the Debt Conversion amount (the "Late Filing Fees"), and shall further pay in cash to Holder an additional 1.75% of the Debt Conversion amount at each subsequent 30 day interval during which the Company has failed to file the Registration Statement (or ratable portion thereof if the Registration Statement is filed prior to the subsequent 30 day interval). In the event that the Registration Statement has not been declared effective on or prior to the Effectiveness Deadline and the shares cannot otherwise be resold without restriction, the Company shall, as liquidated damages for such failure (but without duplication of any concurrent Late Filing Fees awarded for failure to file the Registration Statement by the Filing Deadline), immediately pay in cash to Holder 2% of the Debt Conversion amount (the "Late Effectiveness Fees"), and shall further pay in cash to Holder an additional Later Effective Fees at each subsequent 30 day interval during which the Registration Statement is not effective (or ratable portion thereof if the Registration Statement becomes effective prior to the subsequent 30 day interval). The total maximum liquidated damages payable as either Late Filing or Late Effective Fees shall not exceed 20% of the Debt Conversion amount.

(f) The rights granted under this Section 5 shall terminate upon delivery to the Holder of an opinion of counsel to the Company reasonably satisfactory to the Holder to the effect that such rights are no longer necessary for the public sale of the Conversion Shares without restriction as to the number of securities that may be sold at any one time or the manner of sale.

(g) The rights granted under this Section 5 shall not be transferable.

6. TERMINATION. This Agreement may be terminated no later than the Closing:

(a) At the option of any party in the event that the Debt Conversion has not occurred by June 30, 2013 and such delay was not as a result of any breach of this Agreement by the terminating party;

(b) By the Holder if the Company's Board of Directors failed to recommend or withdrew its approval or recommendation of the Debt Conversion;

(c) At the option of any party if any other party has materially breached a term of this Agreement and has not cured such breach within 30 days; or

(d) At the option of any party if any competent regulatory authority shall have issued an order making illegal or otherwise restricting, preventing, prohibiting or refusing to approve the transactions contemplated hereby, and such order shall have become final and non-appealable.

(e) By the Company in the event that its make a final determination in its sole discretion, considering whatever factors it deems relevant, not to consummate the Debt Conversion.

7. MISCELLANEOUS.

(a) Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

(b) This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

(c) This Agreement shall be a contract made under and governed by the laws of the State of New York.

(d) All obligations of the Company and rights of the Holder expressed herein shall be in addition to and not in limitation of those provided by applicable law.

(e) This Agreement shall be binding upon the Company, the Holder and their respective successors and assigns, and shall inure to the benefit of the Company, the Holder and their respective successors and permitted assigns.

(f) The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other person or entity.

(g) If one or more provisions of this letter agreement are held to be unenforceable under applicable law, it shall be excluded from this letter agreement and the balance of the letter agreement shall be interpreted as if it were so excluded and shall be enforceable in accordance with its terms.

(h) All amendments or modifications of this Agreement and all consents, waivers and notices delivered hereunder or in connection herewith shall be in writing.

(i) This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties with respect thereto.

(j) Each of the Company and the Holder hereby irrevocably waives all right to a trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement and the transactions contemplated hereby.

(k) Whether or not the Closing occurs, the Company shall pay all costs and expenses, including reasonable attorneys' fees, incurred by it or the Holder with respect to the negotiation, execution, delivery and performance of this Agreement, including any expenses of enforcing this provision. This provision shall survive termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives or self as of the date first above written.

HOLDER: VAST TECHNOLOGIES, INC.	VUZIX CORPORATION:
By: /s/ Johnny Wei-Chuann Liao	By: /s/ Paul Travers
Name: Johnny Wei-Chuann Liao	Name: Paul Travers
Title: President	Title: President
Date: March 21st, 2013	Date: March 27, 2013

DEBT CONVERSION AGREEMENT

THIS DEBT CONVERSION AGREEMENT ("AGREEMENT"), dated as of March 25, 2013, between Vuzix Corporation, a Delaware corporation (the "Company") on the one hand and Kopin Corporation, whose address is 200 John Hancock Road, Taunton, Massachusetts, 02780 on the other hand, (the "Holder").

WHEREAS, in 2009, the Holder entered into a Deferral of Accounts Payable agreement which created a secured promissory note of the Company whose unpaid principal amount as of December 31, 2012 was $482,547 (the "Note") along with accrued interest of $60,996;

WHEREAS, the Holder has all previously agreed to forbear the all principal and interest payments due on the Note until July 15, 2013;

WHEREAS, the outstanding nature of the Note along with the Company's other outstanding indebtedness, has continued to negatively impact the Company's operations, including its ability to attract new investors and customers; and

WHEREAS, in order to attract new investors and make financing opportunities more attractive to potential investors, the Company has requested that the Holder convert its Note into shares of the Company's common stock, par value $.001 per share ("Common Stock"), pursuant to the terms set forth herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements of the parties hereinafter set forth, the parties hereto hereby agree as follows:

1. DEBT CONVERSION.

(a) The Holder agrees, subject to the conditions set forth herein, to convert the principal and accrued but unpaid interest on the Note ("Debt Conversion") into shares of Common Stock ("Conversion Shares") at a conversion price equal to the per share offering price of the Company's shares in its proposed secondary offering with Aegis Capital, as further described in Section 4(a)(v), and subject to the approval of the TSX Venture Exchange ("TSXV").

(b) The Company shall comply with all legal requirements applicable and take such other actions as may be necessary to effectuate the Debt Conversion, including, but not limited to, providing notices to, and responding to queries from, all applicable regulatory authorities and stock exchanges and obtaining all necessary regulatory and third party consents.

(c) Subject to the terms and conditions of this Agreement, the consummation of the Debt Conversion shall take place at a closing ("Closing" and the date of the Closing, the "Closing Date") to be held at 10:00 a.m., local time, on the second business day after the date on which the last of the conditions set forth in Section 4 (a) and (b) below is fulfilled, at the offices of Sichenzia Ross Friedman Ference LLP, 32 Floor, 61 Broadway, New York, New York 10006, or at such other time, date or place as the parties may agree upon in writing. The Company shall send to the Holder at least two business days prior to the Closing a notice indicating the amount of unpaid interest accrued through the date of the Closing and the number of shares of Common Stock the Holder will be issued upon the Debt Conversion. At the Closing, the Holder shall deliver its Note for cancellation and the Company shall deliver to the Holder certificates representing the Conversion Shares to which the Holder is entitled as a result of such Debt Conversion. From and after the Closing, the Note shall represent solely the right to receive Conversion Shares. If a Holder has lost its Note and is unable to deliver its Note at the Closing, it shall submit an affidavit of loss and indemnity agreement so that the Note may be replaced and deemed cancelled in accordance with the terms hereof. In the event that as a result of the Debt Conversion, fractions of shares would be required to be issued, such fractional shares shall be rounded up to the nearest whole share. The Company shall pay any documentary, stamp or similar issue or transfer tax due on such Debt Conversion.

(d) Upon and after Closing, any and all obligations of the Company under the Note shall automatically, and without further action, terminate and be null and void, and the Holder hereby authorizes the Company to file a UCC-3 or other appropriate form to terminate any and all liens against the assets and property of the Company, including the Company's intellectual property, software code, trademarks and trade names, or other security interest of the Holder.

(e) Any other accounts payable amounts owed to the Holder by the Company related to the purchases of goods and services not related to the Note will remain fully payable are not in impacted from the Holder's Debt Conversion hereunder. Any such other accounts payable will be paid in full within seven days after the Closing.

2. REPRESENTATIONS AND WARRANTIES OF COMPANY. The Company hereby represents and warrants to the Holder as follows:

(a) As of the date hereof, the Company has 700,000,000 shares of Common Stock authorized, of which 3,536,865 shares of Common Stock are issued and outstanding, and 500,000 shares of preferred stock authorized, of which no shares are issued and outstanding. As of the date hereof, the Company has reserved for issuance 849,371 shares of Common Stock upon exercise of all outstanding options and warrants. All of the issued and outstanding shares of the Company's Common Stock are, and all shares reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable. The Conversion Shares to be issued and delivered to the Holder upon conversion of the Note have been duly authorized and when issued upon such Debt Conversion and in accordance with this Agreement, will be validly issued, fully-paid and non-assessable. The Conversion Shares will be "restricted securities" as defined under Rule 144 promulgated under the Securities Act.

(b) The Company has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. All acts required to be taken by the Company to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken, and this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms and does not conflict with, result in a breach or violation of or constitute (or with notice of lapse of time or both constitute) a default under any instrument, contract or other agreement to which the Company or its subsidiaries is a party.

(c) None of the Company's Certificate of Incorporation, as amended, or Bylaws, or the laws of Delaware, or New York, contains any applicable anti-takeover provision or statute which would restrict the Company's ability to enter into this Agreement or consummate the transactions contemplated by this Agreement or which would limit any of the Holder's rights following consummation of the transactions contemplated by this Agreement.

(d) The Company has delivered or made available through EDGAR and SEDAR to the Holder prior to the execution of this Agreement true and complete copies of all periodic reports, registration statements and proxy statements filed by it with the U.S Securities and Exchange Commission ("Commission" or "SEC") since December 10, 2009. Each of such filings with the Commission (collectively, the "SEC Filings"), as of its filing date, complied in all material respects with the requirements of the rules and regulations promulgated by the Commission with respect thereto and did not contain any untrue statement of a material fact or omit a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which such statements were made.

(e) Since January 1, 2012 and except as disclosed in the SEC Filings, the Company has conducted its business in compliance in all material respects with all applicable laws, rules, regulations, court or administrative orders and processes and rules, directives and orders of regulatory and self-regulatory agencies and bodies, except as would not reasonably be expected, singly or in the aggregate, to be materially adverse to the business, assets or financial condition of the Company.

(f) No representation or warranty by the Company contained in this Agreement contains any untrue statement of a material fact or omits a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which such statements were made.

3. REPRESENTATIONS AND WARRANTIES OF THE HOLDER. The Holder represents and warrants to the Company as follows:

(a) The Holder has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. The Holder represents and warrants that it is the sole legal and beneficial holder of the Note being converted by the Holder. On the Closing Date, Holder shall deliver good, valid and marketable title to the Note transferred to the Company hereunder free and clear of any liens, charges, and encumbrances. All acts required to be taken by the Holder to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken; and this Agreement constitutes a legal, valid and binding obligation of the Holder enforceable in accordance with its terms.

(b) The Holder has been given an opportunity to ask questions and receive answers from the officers and directors of the Company and to obtain additional information from the Company.

(c) The Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company's securities and has obtained, in its judgment, sufficient information about the Company to evaluate the merits and risks of an investment in the Company.

(d) The Holder is relying solely on the representations and warranties contained in Section 2 hereof and in certificates delivered hereunder in making its decision to enter into this Agreement and consummate the transactions contemplated hereby and no oral representations or warranties of any kind have been made by the Company or its officers, directors, employees or agents to the Holder.

(e) The Holder represents, warrants and agrees that (i) the Conversion Shares it receives will be acquired for investment purposes only for their own account or for the account of controlled affiliates, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that they have no present intention of selling, granting any participation in or otherwise distributing the same, (ii) it is not party to any undisclosed contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person with respect to any of Conversion Shares, (iii) it has not been formed for the specific purpose of acquiring the Conversion Shares, (iv) it has received or has had full access to all the information it considers necessary or appropriate for deciding whether to purchase the Conversion Shares and has had an opportunity to ask questions and receive answers regarding the terms and conditions of the Conversion Shares, and the Company’s business, properties, prospects and financial condition, (v) that it is financially sophisticated and is able to fend for itself, can bear the economic risk of the investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Conversion Shares, (vi) it is an "accredited investor" or a "qualified institutional buyer" within the meaning of current SEC rules.

(f) The Holder understands that the Conversion Shares it is purchasing are "restricted securities" under U.S. federal securities laws inasmuch as they will be acquired by it from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Conversion Shares may be resold without registration only in certain limited circumstances. The certificates evidencing the Conversion Shares will bear an appropriate legend regarding these restrictions:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR RAMP CORPORATION SHALL HAVE RECEIVED AN OPINION OF ITS COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.
>
> THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT WITHOUT THE PRIOR WRITTERN APPROVAL OF THE TSX VENTURE EXCHANGE BE SOLD, TRANSFERRED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 4 MONTHS AFTER THEIR ISSUANCE.

(g) In the absence of an effective registration statement covering the Conversion Shares, the Conversion Shares may only be resold only in accordance with Regulation S, or in a transaction otherwise exempt from registration. The Holder agrees not to make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") any Conversion Shares for a period of at least 180 days from the Closing Date. They will not Transfer all or any portion of the Conversion Shares unless (a) there is a registration statement declared effective by the SEC under the Securities Act of 1933, as amended (the "1933 Act") with respect to the Conversion Shares to be Transferred and no stop order suspending the effectiveness of such registration statement is then in effect under the 1933 Act and no proceedings for that purpose have then been instituted or (b) the Transfer is made under a valid exemption to registration under the 1933 Act.

4. CONDITIONS.

(a) The obligations of the Company to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of the Holder set forth in Section 3 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings, corporate or otherwise, to be taken by the Holder in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or the Holder shall have been obtained in form and substance reasonably satisfactory to the Company.

(iii) The Holder shall have delivered to the Company for cancellation its Note or an affidavit of loss and indemnity.

(iv) all governmental or regulatory authorizations, approvals, including the approval of the TSXV, or permits that are required for the issuance of the Conversion Shares have been obtained

(v) The Company shall have obtained the necessary approvals for the listing of the Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(b) The obligations of the Holder to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of the Company set forth in Section 2 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings, corporate or otherwise, to be taken by the Company in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or the Holder shall have been obtained in form and substance reasonably satisfactory to the Holder.

(iii) The Company shall have obtained the necessary approvals for the listing of the Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(iv) The Holder shall have delivered to the Company for cancellation its Note or an affidavit of loss and indemnity

5. REGISTRATION.

(a) Registration Upon Conversion.

(i) Promptly and in any event not later than thirty (30) days following the Closing Date (the "Filing Deadline"), the Company shall prepare and file with the U.S. Securities and Exchange Commission (the "SEC"), a Registration Statement on Form S-1 (or such other form as the Company is then eligible to use) registering the resale from time to time by Holder of the Conversion Shares pursuant to a plan of distribution reasonably acceptable to Holder (the "Registration Statement"). The Company shall deliver to Holder a copy of the Registration Statement and give Holder and its counsel the reasonable opportunity to review and comment on the Registration Statement. The Company shall notify Holder promptly the receipt of the comments of the SEC, if any, and of any request by the SEC for amendments or supplements to the Registration Statement or for additional information with respect thereto and if required, provide Holder with copies of all correspondence between the Company or its representatives, on the one hand, and the SEC or members of its staff, on the other hand, with respect to the Registration Statement. The Company shall cause the Registration Statement, including any prospectus contained therein, and any post-effective amendments thereto to comply in all material respects with the requirements of the SEC and, as of their respective dates, to not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) The Company shall cause the Registration Statement to be declared effective by the SEC on the earlier of (a) ninety (90) days after the Closing Date, or (b) the tenth (10) business day following the date on which the Company is notified by the SEC that the Registration Statement will not be reviewed or is no longer subject to further review and comments (the "Effectiveness Deadline"), and to keep such Registration Statement continuously effective under the Securities Act until the earlier of (x) the date on which all Conversion Shares registered on such Registration Statement have been sold by Holder (the "Registration Termination Date"); or (y) the date on which all Conversion Shares may be sold pursuant to the Rule 144 without restriction or limitation.

(iii) The Company shall furnish to Holder such number of copies of the Registration Statement, prospectus supplements and such other documents as Holder may reasonably request, in order to facilitate the public sale or other disposition of all or any of the Conversion Shares;

(iv) As promptly as practicable after becoming aware of such event, notify Holder of the occurrence of any event, as a result of which the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and promptly prepare a supplement to the Registration Statement to correct such untrue statement or omission, and deliver a number of copies of such supplement to Holder as it may reasonably request. As promptly as practicable after becoming aware of such event, notify Holder of the issuance by the SEC of any stop order or other suspension of the effectiveness of the Registration Statement and take all lawful action to effect the withdrawal, rescission or removal of such stop order or other suspension;

(b) With a view to making available to Holder the benefits of certain rules and regulations of the SEC which may permit the sale of the Conversion Shares to the public without registration, the Company shall use commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144(c)(1) or any similar or analogous rule promulgated under the Securities Act, at all times after the Closing Date;

(c) The Company shall take all commercially reasonably actions to cause the Conversion Shares to be listed on the NASDAQ Capital Market within twenty (20) days of their issuance;

(d) All Registration Expenses (as defined below) incurred in connection with the registrations pursuant to this Section 5 shall be borne by the Company. "Registration Expenses" shall mean all expenses incurred by the Company in complying with this Section 5 hereof including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, and the expense of any special audits incident to or required by any such registration;

(e) In the event that the Company has not filed the Registration Statement on or prior to the Filing Deadline, the Company shall, as liquidated damages for such failure, immediately pay in cash (distribute) to Holder 1.75% of the Debt Conversion amount (the "Late Filing Fees"), and shall further pay in cash to Holder an additional 1.75% of the Debt Conversion amount at each subsequent 30 day interval during which the Company has failed to file the Registration Statement (or ratable portion thereof if the Registration Statement is filed prior to the subsequent 30 day interval). In the event that the Registration Statement has not been declared effective on or prior to the Effectiveness Deadline and the shares cannot otherwise be resold without restriction, the Company shall, as liquidated damages for such failure (but without duplication of any concurrent Late Filing Fees awarded for failure to file the Registration Statement by the Filing Deadline), immediately pay in cash to Holder 2% of the Debt Conversion amount (the "Late Effectiveness Fees"), and shall further pay in cash to Holder an additional Later Effective Fees at each subsequent 30 day interval during which the Registration Statement is not effective (or ratable portion thereof if the Registration Statement becomes effective prior to the subsequent 30 day interval). The total maximum liquidated damages payable as either Late Filing or Late Effective Fees shall not exceed 20% of the Debt Conversion amount.

(f) The rights granted under this Section 5 shall terminate upon delivery to the Holder of an opinion of counsel to the Company reasonably satisfactory to the Holder to the effect that such rights are no longer necessary for the public sale of the Conversion Shares without restriction as to the number of securities that may be sold at any one time or the manner of sale.

(g) The rights granted under this Section 5 shall not be transferable.

6. TERMINATION. This Agreement may be terminated no later than the Closing:

(a) At the option of any party in the event that the Debt Conversion has not occurred by June 30, 2013 and such delay was not as a result of any breach of this Agreement by the terminating party;

(b) By the Holder if the Company's Board of Directors failed to recommend or withdrew its approval or recommendation of the Debt Conversion;

(c) At the option of any party if any other party has materially breached a term of this Agreement and has not cured such breach within 30 days; or

(d) At the option of any party if any competent regulatory authority shall have issued an order making illegal or otherwise restricting, preventing, prohibiting or refusing to approve the transactions contemplated hereby, and such order shall have become final and non-appealable.

(e) By the Company in the event that its make a final determination in its sole discretion, considering whatever factors it deems relevant, not to consummate the Debt Conversion.

7. MISCELLANEOUS.

(a) Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

(b) This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

(c) This Agreement shall be a contract made under and governed by the laws of the State of New York.

(d) All obligations of the Company and rights of the Holder expressed herein shall be in addition to and not in limitation of those provided by applicable law.

(e) This Agreement shall be binding upon the Company, the Holder and their respective successors and assigns, and shall inure to the benefit of the Company, the Holder and their respective successors and permitted assigns.

(f) The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other person or entity.

(g) If one or more provisions of this letter agreement are held to be unenforceable under applicable law, it shall be excluded from this letter agreement and the balance of the letter agreement shall be interpreted as if it were so excluded and shall be enforceable in accordance with its terms.

(h) All amendments or modifications of this Agreement and all consents, waivers and notices delivered hereunder or in connection herewith shall be in writing.

(i) This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties with respect thereto.

(j) Each of the Company and the Holder hereby irrevocably waives all right to a trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement and the transactions contemplated hereby.

(k) Whether or not the Closing occurs, the Company shall pay all costs and expenses, including reasonable attorneys' fees, incurred by it or the Holder with respect to the negotiation, execution, delivery and performance of this Agreement, including any expenses of enforcing this provision. This provision shall survive termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives or self as of the date first above written.

HOLDER: KOPIN CORPORATION	VUZIX CORPORATION:
By: Richard Sneider	By: /s/ Paul Travers
Name: Richard Sneider	Name: Paul Travers
Title: CFO	Title: President
Date: March 25, 2013	Date: March 27, 2013

DEBT CONVERSION AGREEMENT

THIS DEBT CONVERSION AGREEMENT ("AGREEMENT"), dated as of March 27, 2013, between Vuzix Corporation, a Delaware corporation (the "Company") on the one hand and Paul J. Travers, whose address is 71 Boughton Hill Road on the other hand, (the "Holder").

WHEREAS, in 2000, the Holder entered into a Promissory Note agreement which created a secured promissory note of the Company whose unpaid principal amount as of December 31, 2012 was $209,208 (the "Note 2000") along with accrued interest of $213,795;

WHEREAS, in 2008, the Holder entered into a Promissory Note agreement which created a secured promissory note of the Company whose unpaid principal amount as of December 31, 2012 was $225,719 (the "Note 2008") along with accrued interest of $17,730;

WHEREAS, the Holder is owned for the Note 2000 and the Note 2008 a total of $434,927 in principal and unpaid accrued interest of $231,525, collectively referred as the “Notes” as of December 31, 2012.

WHEREAS, the Holder has all previously agreed to forbear the all principal and interest payments due on the Notes until July 15, 2013;

WHEREAS, the outstanding nature of the Notes along with the Company's other outstanding indebtedness, has continued to negatively impact the Company's operations, including its ability to attract new investors and customers; and

WHEREAS, in order to attract new investors and make financing opportunities more attractive to potential investors, the Company has requested that the Holder convert its Notes into shares of the Company’s common stock, par value $.001 per share ("Common Stock"), pursuant to the terms set forth herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements of the parties hereinafter set forth, the parties hereto hereby agree as follows:

1. DEBT CONVERSION.

(a) The Holder agrees, subject to the conditions set forth herein, to convert the total principal and accrued but unpaid interest on the Notes (“Debt Conversion”) into shares of Common Stock ("Conversion Shares") at a conversion price equal to the per share offering price of the Company’s shares in its proposed secondary offering with Aegis Capital, as further described in Section 4(a)(v), and subject to the approval of the TSX Venture Exchange (“TSXV”).

(b) The Company shall comply with all legal requirements applicable and take such other actions as may be necessary to effectuate the Debt Conversion, including, but not limited to, providing notices to, and responding to queries from, all applicable regulatory authorities and stock exchanges and obtaining all necessary regulatory and third party consents.

(c) Subject to the terms and conditions of this Agreement, the consummation of the Debt Conversion shall take place at a closing ("Closing" and the date of the Closing, the “Closing Date”) to be held at 10:00 a.m., local time, on the second business day after the date on which the last of the conditions set forth in Section 4 (a) and (b) below is fulfilled, at the offices of Sichenzia Ross Friedman Ference LLP, 32 Floor, 61 Broadway, New York, New York 10006, or at such other time, date or place as the parties may agree upon in writing. The Company shall send to the Holder at least two business days prior to the Closing a notice indicating the amount of unpaid interest accrued through the date of the Closing and the number of shares of Common Stock the Holder will be issued upon the Debt Conversion. At the Closing, the Holder shall deliver its Notes for cancellation and the Company shall deliver to the Holder certificates representing the Conversion Shares to which the Holder is entitled as a result of such Debt Conversion. From and after the Closing, the Notes shall represent solely the right to receive Conversion Shares. If a Holder has lost its Notes and is unable to deliver its Notes at the Closing, it shall submit an affidavit of loss and indemnity agreement so that the Notes may be replaced and deemed cancelled in accordance with the terms hereof. In the event that as a result of the Debt Conversion, fractions of shares would be required to be issued, such fractional shares shall be rounded up to the nearest whole share. The Company shall pay any documentary, stamp or similar issue or transfer tax due on such Debt Conversion.

(d) Upon and after Closing, any and all obligations of the Company under the Notes shall automatically, and without further action, terminate and be null and void, and the Holder hereby authorizes the Company to file a UCC-3 or other appropriate form to terminate any and all liens against the assets and property of the Company, including the Company's intellectual property, software code, trademarks and trade names, or other security interest of the Holder.

(e) Any other accounts payable amounts owed to the Holder by the Company related to the purchases of goods and services not related to the Notes will remain fully payable are not in impacted from the Holder's Debt Conversion hereunder. Any such other accounts payable will be paid in full within seven days after the Closing.

2. REPRESENTATIONS AND WARRANTIES OF COMPANY. The Company hereby represents and warrants to the Holder as follows:

(a) As of the date hereof, the Company has 700,000,000 shares of Common Stock authorized, of which 3,536,865 shares of Common Stock are issued and outstanding, and 500,000 shares of preferred stock authorized, of which no shares are issued and outstanding. As of the date hereof, the Company has reserved for issuance 849,371 shares of Common Stock upon exercise of all outstanding options and warrants. All of the issued and outstanding shares of the Company's Common Stock are, and all shares reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable. The Conversion Shares to be issued and delivered to the Holder upon conversion of the Notes have been duly authorized and when issued upon such Debt Conversion and in accordance with this Agreement, will be validly issued, fully-paid and non-assessable. The Conversion Shares will be "restricted securities" as defined under Rule 144 promulgated under the Securities Act.

(b) The Company has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. All acts required to be taken by the Company to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken, and this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms and does not conflict with, result in a breach or violation of or constitute (or with notice of lapse of time or both constitute) a default under any instrument, contract or other agreement to which the Company or its subsidiaries is a party.

(c) None of the Company's Certificate of Incorporation, as amended, or Bylaws, or the laws of Delaware, or New York, contains any applicable anti-takeover provision or statute which would restrict the Company's ability to enter into this Agreement or consummate the transactions contemplated by this Agreement or which would limit any of the Holder's rights following consummation of the transactions contemplated by this Agreement.

(d) The Company has delivered or made available through EDGAR and SEDAR to the Holder prior to the execution of this Agreement true and complete copies of all periodic reports, registration statements and proxy statements filed by it with the U.S Securities and Exchange Commission ("Commission" or "SEC") since December 10, 2009. Each of such filings with the Commission (collectively, the "SEC Filings"), as of its filing date, complied in all material respects with the requirements of the rules and regulations promulgated by the Commission with respect thereto and did not contain any untrue statement of a material fact or omit a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which such statements were made.

(e) Since January 1, 2012 and except as disclosed in the SEC Filings, the Company has conducted its business in compliance in all material respects with all applicable laws, rules, regulations, court or administrative orders and processes and rules, directives and orders of regulatory and self-regulatory agencies and bodies, except as would not reasonably be expected, singly or in the aggregate, to be materially adverse to the business, assets or financial condition of the Company.

(f) No representation or warranty by the Company contained in this Agreement contains any untrue statement of a material fact or omits a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which such statements were made.

3. REPRESENTATIONS AND WARRANTIES OF THE HOLDER. The Holder represents and warrants to the Company as follows:

(a) The Holder has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. The Holder represents and warrants that it is the sole legal and beneficial holder of the Notes being converted by the Holder. On the Closing Date, Holder shall deliver good, valid and marketable title to the Notes transferred to the Company hereunder free and clear of any liens, charges, and encumbrances. All acts required to be taken by the Holder to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken; and this Agreement constitutes a legal, valid and binding obligation of the Holder enforceable in accordance with its terms.

(b) The Holder has been given an opportunity to ask questions and receive answers from the officers and directors of the Company and to obtain additional information from the Company.

(c) The Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company's securities and has obtained, in its judgment, sufficient information about the Company to evaluate the merits and risks of an investment in the Company.

(d) The Holder is relying solely on the representations and warranties contained in Section 2 hereof and in certificates delivered hereunder in making its decision to enter into this Agreement and consummate the transactions contemplated hereby and no oral representations or warranties of any kind have been made by the Company or its officers, directors, employees or agents to the Holder.

(e) The Holder represents, warrants and agrees that (i) the Conversion Shares it receives will be acquired for investment purposes only for their own account or for the account of controlled affiliates, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that they have no present intention of selling, granting any participation in or otherwise distributing the same, (ii) it is not party to any undisclosed contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person with respect to any of Conversion Shares, (iii) it has not been formed for the specific purpose of acquiring the Conversion Shares, (iv) it has received or has had full access to all the information it considers necessary or appropriate for deciding whether to purchase the Conversion Shares and has had an opportunity to ask questions and receive answers regarding the terms and conditions of the Conversion Shares, and the Company’s business, properties, prospects and financial condition, (v) that it is financially sophisticated and is able to fend for itself, can bear the economic risk of the investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Conversion Shares, (vi) it is an "accredited investor" or a "qualified institutional buyer" within the meaning of current SEC rules.

(f) The Holder understands that the Conversion Shares it is purchasing are "restricted securities" under U.S. federal securities laws inasmuch as they will be acquired by it from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Conversion Shares may be resold without registration only in certain limited circumstances. The certificates evidencing the Conversion Shares will bear an appropriate legend regarding these restrictions:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR RAMP CORPORATION SHALL HAVE RECEIVED AN OPINION OF ITS COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT WITHOUT THE PRIOR WRITTERN APPROVAL OF THE TSX VENTURE EXCHANGE BE SOLD, TRANSFERRED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 4 MONTHS AFTER THEIR ISSUANCE.

(g) In the absence of an effective registration statement covering the Conversion Shares, the Conversion Shares may only be resold only in accordance with Regulation S, or in a transaction otherwise exempt from registration. The Holder agrees not to make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") any Conversion Shares for a period of at least 180 days from the Closing Date. They will not Transfer all or any portion of the Conversion Shares unless (a) there is a registration statement declared effective by the SEC under the Securities Act of 1933, as amended (the "1933 Act") with respect to the Conversion Shares to be Transferred and no stop order suspending the effectiveness of such registration statement is then in effect under the 1933 Act and no proceedings for that purpose have then been instituted or (b) the Transfer is made under a valid exemption to registration under the 1933 Act.

4. CONDITIONS.

(a) The obligations of the Company to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of the Holder set forth in Section 3 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings, corporate or otherwise, to be taken by the Holder in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or the Holder shall have been obtained in form and substance reasonably satisfactory to the Company.

(iii) The Holder shall have delivered to the Company for cancellation its Notes or an affidavit of loss and indemnity.

(iv) all governmental or regulatory authorizations, approvals, including the approval of the TSXV, or permits that are required for the issuance of the Conversion Shares have been obtained

(v) The Company shall have obtained the necessary approvals for the listing of the Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(b) The obligations of the Holder to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of the Company set forth in Section 2 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings, corporate or otherwise, to be taken by the Company in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or the Holder shall have been obtained in form and substance reasonably satisfactory to the Holder.

(iii) The Company shall have obtained the necessary approvals for the listing of the Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(iv) The Holder shall have delivered to the Company for cancellation its Notes or an affidavit of loss and indemnity

5. REGISTRATION.

(a) Registration Upon Conversion.

(i) Promptly and in any event not later than thirty (30) days following the Closing Date (the "Filing Deadline"), the Company shall prepare and file with the U.S. Securities and Exchange Commission (the "SEC"), a Registration Statement on Form S-1 (or such other form as the Company is then eligible to use) registering the resale from time to time by Holder of the Conversion Shares pursuant to a plan of distribution reasonably acceptable to Holder (the "Registration Statement"). The Company shall deliver to Holder a copy of the Registration Statement and give Holder and its counsel the reasonable opportunity to review and comment on the Registration Statement. The Company shall notify Holder promptly the receipt of the comments of the SEC, if any, and of any request by the SEC for amendments or supplements to the Registration Statement or for additional information with respect thereto and if required, provide Holder with copies of all correspondence between the Company or its representatives, on the one hand, and the SEC or members of its staff, on the other hand, with respect to the Registration Statement. The Company shall cause the Registration Statement, including any prospectus contained therein, and any post-effective amendments thereto to comply in all material respects with the requirements of the SEC and, as of their respective dates, to not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) The Company shall cause the Registration Statement to be declared effective by the SEC on the earlier of (a) ninety (90) days after the Closing Date, or (b) the tenth (10) business day following the date on which the Company is notified by the SEC that the Registration Statement will not be reviewed or is no longer subject to further review and comments (the "Effectiveness Deadline"), and to keep such Registration Statement continuously effective under the Securities Act until the earlier of (x) the date on which all Conversion Shares registered on such Registration Statement have been sold by Holder (the "Registration Termination Date"); or (y) the date on which all Conversion Shares may be sold pursuant to the Rule 144 without restriction or limitation.

(iii) The Company shall furnish to Holder such number of copies of the Registration Statement, prospectus supplements and such other documents as Holder may reasonably request, in order to facilitate the public sale or other disposition of all or any of the Conversion Shares;

(iv) As promptly as practicable after becoming aware of such event, notify Holder of the occurrence of any event, as a result of which the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and promptly prepare a supplement to the Registration Statement to correct such untrue statement or omission, and deliver a number of copies of such supplement to Holder as it may reasonably request. As promptly as practicable after becoming aware of such event, notify Holder of the issuance by the SEC of any stop order or other suspension of the effectiveness of the Registration Statement and take all lawful action to effect the withdrawal, rescission or removal of such stop order or other suspension;

(b) With a view to making available to Holder the benefits of certain rules and regulations of the SEC which may permit the sale of the Conversion Shares to the public without registration, the Company shall use commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144(c)(1) or any similar or analogous rule promulgated under the Securities Act, at all times after the Closing Date;

(c) The Company shall take all commercially reasonably actions to cause the Conversion Shares to be listed on the NASDAQ Capital Market within twenty (20) days of their issuance;

(d) All Registration Expenses (as defined below) incurred in connection with the registrations pursuant to this Section 5 shall be borne by the Company. "Registration Expenses" shall mean all expenses incurred by the Company in complying with this Section 5 hereof including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, and the expense of any special audits incident to or required by any such registration;

(e) In the event that the Company has not filed the Registration Statement on or prior to the Filing Deadline, the Company shall, as liquidated damages for such failure, immediately pay in cash (distribute) to Holder 1.75% of the Debt Conversion amount (the "Late Filing Fees"), and shall further pay in cash to Holder an additional 1.75% of the Debt Conversion amount at each subsequent 30 day interval during which the Company has failed to file the Registration Statement (or ratable portion thereof if the Registration Statement is filed prior to the subsequent 30 day interval). In the event that the Registration Statement has not been declared effective on or prior to the Effectiveness Deadline and the shares cannot otherwise be resold without restriction, the Company shall, as liquidated damages for such failure (but without duplication of any concurrent Late Filing Fees awarded for failure to file the Registration Statement by the Filing Deadline), immediately pay in cash to Holder 2% of the Debt Conversion amount (the "Late Effectiveness Fees"), and shall further pay in cash to Holder an additional Later Effective Fees at each subsequent 30 day interval during which the Registration Statement is not effective (or ratable portion thereof if the Registration Statement becomes effective prior to the subsequent 30 day interval). The total maximum liquidated damages payable as either Late Filing or Late Effective Fees shall not exceed 20% of the Debt Conversion amount.

(f) The rights granted under this Section 5 shall terminate upon delivery to the Holder of an opinion of counsel to the Company reasonably satisfactory to the Holder to the effect that such rights are no longer necessary for the public sale of the Conversion Shares without restriction as to the number of securities that may be sold at any one time or the manner of sale.

(g) The rights granted under this Section 5 shall not be transferable.

6. TERMINATION. This Agreement may be terminated no later than the Closing:

(a) At the option of any party in the event that the Debt Conversion has not occurred by June 30, 2013 and such delay was not as a result of any breach of this Agreement by the terminating party;

(b) By the Holder if the Company's Board of Directors failed to recommend or withdrew its approval or recommendation of the Debt Conversion;

(c) At the option of any party if any other party has materially breached a term of this Agreement and has not cured such breach within 30 days; or

(d) At the option of any party if any competent regulatory authority shall have issued an order making illegal or otherwise restricting, preventing, prohibiting or refusing to approve the transactions contemplated hereby, and such order shall have become final and non-appealable.

(e) By the Company in the event that its make a final determination in its sole discretion, considering whatever factors it deems relevant, not to consummate the Debt Conversion.

7. MISCELLANEOUS.

(a) Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

(b) This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

(c) This Agreement shall be a contract made under and governed by the laws of the State of New York.

(d) All obligations of the Company and rights of the Holder expressed herein shall be in addition to and not in limitation of those provided by applicable law.

(e) This Agreement shall be binding upon the Company, the Holder and their respective successors and assigns, and shall inure to the benefit of the Company, the Holder and their respective successors and permitted assigns.

(f) The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other person or entity.

(g) If one or more provisions of this letter agreement are held to be unenforceable under applicable law, it shall be excluded from this letter agreement and the balance of the letter agreement shall be interpreted as if it were so excluded and shall be enforceable in accordance with its terms.

(h) All amendments or modifications of this Agreement and all consents, waivers and notices delivered hereunder or in connection herewith shall be in writing.

(i) This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties with respect thereto.

(j) Each of the Company and the Holder hereby irrevocably waives all right to a trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement and the transactions contemplated hereby.

(k) Whether or not the Closing occurs, the Company shall pay all costs and expenses, including reasonable attorneys' fees, incurred by it or the Holder with respect to the negotiation, execution, delivery and performance of this Agreement, including any expenses of enforcing this provision. This provision shall survive termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives or self as of the date first above written.

HOLDER: PAUL J. TRAVERS	VUZIX CORPORATION:
By: /s/ Paul Travers	By: /s/ Grant Russell
Name: Paul Travers	Name: Grant Russell
Title: President	Title: CFO & Ex VP
Date: March 27, 2013	Date: March 27, 2013

DEFERRED COMPENSATION DEFERRAL AND CONVERSION OPTION AGREEMENT

THIS DEFERRED COMPENSATION DEFERREAL AND CONVERSION OPTION AGREEMENT (this "Agreement"), is entered into as of March 27, 2013, by and between PAUL J TRAVERS, a senior office of Vuzix Corporation, with the titles of President and Chief Executive Officer ("Executive") and VUZIX CORPORATION, a Delaware corporation ("Company").

WHEREAS, the parties entered into various letters and agreements of employment and understandings between the periods of May 2000 to December 31, 2008 where the Executive was to receive a regular payment of salary as compensation for his services and

WHEREAS, due to the Company's cash flow at various times not all monies owed were paid when due pursuant to such letters and agreements, but were accrued along with an annual interest of 8%;

WHEREAS, the unpaid salary amounts as of June 2009 were $246,632 along with accrued interest of $128,290;

WHEREAS, pursuant to the Company's initial public offering (the "IPO"), the Company caused the Executive to agree that all outstanding amounts would remain unpaid and further deferred until after the first anniversary of the closing of the IPO, which amounts remain unpaid as of the date of this Agreement;

WHEREAS, the parties entered into an employment agreement dated August 2009 (the "Employment Agreement") pursuant to which the Executive is entitled to receive a base minimum salary of $175,000 per annum, which was to increase by a minimum of $100,000 to $300,000, effective immediately upon the closing of the Company's IPO;

WHEREAS, the Company notified the Executive that it did not raise enough funds in its IPO to begin paying in cash to the Executive his contractual post-IPO minimum salary of $275,000 per annum and that it had to defer the payment of the required $100,000 per annum increase for calendar 2010, and annually thereafter, until such time as it can financially afford to make such payments on a regular basis;

WHEREAS, the Company confirms to Executive that the outstanding balance of the total unpaid salary amount as of December 31, 2012 was $815,168, consisting of $546,632 and unpaid accrued interest totaling $268,536, collectively referred to herein as "Deferred Compensation; and

WHEREAS, in order to attract new investors, meet minimum listing requirements for the Company's shares of common stock on additional public stock exchanges and make financing opportunities more attractive to potential investors, the Company has requested that the Executive agree to (i) defer making a payment demand regarding the Deferred Compensation until April 1, 2014, and (ii) at his discretion convert, in whole or in part, the Deferred Compensation into shares of the Company's common stock, par value $.001 per share ("Common Stock"), pursuant to the terms set forth herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements of the parties hereinafter set forth, the parties hereto hereby agree as follows:

1. DEFERRAL OF PAYMENT.

    a. The Company and Executive acknowledge that the Company does not have sufficient free cash flow to commence a repayment of the Deferred Compensation amounts owed on the date of this Agreement.
    b. The Company will continue to accrue interest at 8% per annum, compounded monthly on all amounts of Deferred Compensation owing.

c. The Company agrees that commencing on April 1, 2014 it will begin equal monthly repayments (principal and interest) of the Deferred Compensation amounts owed to the Executive which has not been converted, over a maximum of 12 months.

2. DEFERED COMPENSATION CONVERSION.

(a) Executive may, subject to the conditions set forth herein, convert, in whole or in part, any unpaid portion of the Deferred Compensation into shares of Common Stock (such shares to be issued to the Executive, the "Conversion Shares") at a conversion price equal to the per share offering price of the Company's shares in its proposed secondary offering underwritten by Aegis Capital, as further described in Section 5 (b), and subject to the approval of the TSX Venture Exchange ("TSXV").

(b) The Company shall comply with all applicable legal requirements and take such other actions as may be necessary to effectuate the Deferred Compensation conversion at the Executive's option, including, but not limited to, providing notices to, and responding to queries from, all applicable regulatory authorities and stock exchanges and obtaining all necessary regulatory and third party consents.

(c) Subject to the terms and conditions set forth herein, this Agreement will become effective on the day that the Company shall have obtained the necessary approvals for the listing of its Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of the securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(d) In the event that as a result of the Deferred Compensation conversion, fractions of shares would be required to be issued, such fractional shares shall be rounded up to the nearest whole share. The Company shall pay any documentary, stamp or similar issue or transfer tax due on such Deferred Compensation Conversion.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to Executive as follows:

(a) As of the date hereof, the Company has 700,000,000 shares of Common Stock authorized, of which 3,536,865 shares of Common Stock are issued and outstanding, and 500,000 shares of preferred stock authorized, of which no shares are issued and outstanding. As of the date hereof, the Company has reserved for issuance 849,371 shares of Common Stock (as may be adjusted for reclassifications, stock dividends, spin-offs or distributions, share combinations or other similar changes affecting the Common Stock as a whole) upon exercise of all outstanding options and warrants. All of the issued and outstanding shares of the Company's Common Stock are, and all shares reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable. The Conversion Shares to be issued and delivered to Executive upon conversion, if any, of the Deferred Compensation have been duly authorized and when issued upon such Deferred Compensation conversion and in accordance with this Agreement, will be validly issued, fully-paid and non-assessable. The Conversion Shares will be "restricted securities" as defined under Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act").

(b) The Company has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. All acts required to be taken by the Company to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken, and this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms, except to the extent limited by laws relating to bankruptcy or insolvency, laws affecting the rights of creditors generally and principles of equity, and does not conflict with, result in a breach or violation of or constitute (or with notice of lapse of time or both constitute) a default under any instrument, contract or other agreement to which the Company or its subsidiaries is a party.

(c) None of the Company's Certificate of Incorporation, as amended, or Bylaws, any agreement to which the Company is a party, or the laws of Delaware, restrict the Company's ability to enter into this Agreement or consummate the transactions contemplated by this Agreement or would limit any of Executive's rights following consummation of the transactions contemplated by this Agreement.

(d) The Company has delivered or made available through EDGAR and SEDAR to Executive prior to the execution of this Agreement true and complete copies of all periodic reports, registration statements and proxy statements filed by it with the U.S Securities and Exchange Commission ("Commission" or "SEC") since December 10, 2009. Each of such filings with the Commission (collectively, the "SEC Filings"), as of its filing date, complied in all material respects with the requirements of the rules and regulations promulgated by the Commission with respect thereto and did not contain any untrue statement of a material fact or omit a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which such statements were made, and the Company has made all required SEC Filings.

(e) Since January 1, 2012 and except as disclosed in the SEC Filings, the Company has conducted its business in compliance in all material respects with all applicable laws, rules, regulations, court or administrative orders and processes and rules, directives and orders of regulatory and self-regulatory agencies and bodies, except as could not reasonably be expected, singly or in the aggregate, to be materially adverse to the business, assets or financial condition of the Company.

(f) No representation or warranty by the Company contained in this Agreement contains any untrue statement of a material fact or omits a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which such statements were made.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF EXECUTIVE. Executive represents, warrants and covenants to the Company as follows:

(a) Executive has full legal power to execute and deliver this Agreement and to perform his obligations hereunder. All acts required to be taken by Executive to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken; and this Agreement constitutes a legal, valid and binding obligation of Executive enforceable in accordance with its terms, except to the extent limited by laws relating to bankruptcy or insolvency, laws affecting the rights of creditors generally and principles of equity.

(b) Executive has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company's securities and has obtained, in his judgment, sufficient information about the Company to evaluate the merits and risks of an investment in the Company.

(c) Executive is relying solely on the representations and warranties contained in Section 3 hereof, the information contained in the SEC Filings and in certificates delivered hereunder in making its decision to enter into this Agreement and consummate the transactions contemplated hereby and no oral representations or warranties of any kind have been made to Executive by the Company or its officers, directors, employees or agents.

(d) Executive understands that if he elects to convert the Deferred Compensation, in whole or in part, the Conversion Shares that he will be purchasing are "restricted securities" under U.S. federal securities laws inasmuch as they will be acquired by him from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Conversion Shares may be resold without registration only in certain limited circumstances. The certificates evidencing the Conversion Shares will bear an appropriate legend regarding these restrictions:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SUCH SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR VUZIX CORPORATION SHALL HAVE RECEIVED AN OPINION OF ITS COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.

WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL THE DATE THAT IS FOUR MONTHS PLUS A DAY AFTER THE DATE OF CONVERSION.

(e) In the absence of an effective registration statement covering the Conversion Shares, the Conversion Shares may only be resold only in accordance with Regulation S, or in a transaction otherwise exempt from registration. Executive will not make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") all or any portion of the Conversion Shares unless (a) there is a registration statement declared effective by the SEC under the Securities Act with respect to the Conversion Shares to be Transferred and no stop order suspending the effectiveness of such registration statement is then in effect under the Securities Act and no proceedings for that purpose have then been instituted or (b) the Transfer is made under a valid exemption to registration under the Securities Act.

5. CONDITIONS.

(a) The obligations of the Company to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of Executive set forth in Section 4 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings to be taken by Executive in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or Executive shall have been obtained in form and substance reasonably satisfactory to the Company.

(iv) All regulatory authorizations, approvals, including approval of the TSXV, or permits that are required for the issuance of the Conversion Shares have been obtained.

(v) Before June 30, 2013, the Company shall have obtained the necessary approvals for the listing of its Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(b) The obligations of Executive to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of the Company set forth in Section 3 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings, corporate or otherwise, to be taken by the Company in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals, or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or Executive shall have been obtained in form and substance reasonably satisfactory to Executive.

(iii) On or before June 30, 2013, the Company shall have obtained the necessary approvals for the listing of its Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

6. REGISTRATION.

(a) The Executive shall have the right to require the Company to register the Conversion Shares issuable upon the conversion of the Deferred Compensation in one (1) or more piggy-back registrations and/or in one (1) demand registration. The Company shall provide notice to the Executive of any registration of its securities not less than thirty (30) days prior to any filing of a registration statement. Upon the Company's receipt of any notice from the Executive that the Executive has requested a piggyback registration or demand registration in accordance with its rights hereunder, the Company shall use its best efforts to (a) in respect of a piggyback registration, including the Conversion Shares issuable upon conversion of the Deferred Compensation in the contemplated registration by the Company (subject to underwriters' cutbacks), or (b) in respect of a demand registration, (i) file a registration statement to register the Conversion Shares issuable upon conversion of the Deferred Compensation not less than forty-five (45) days following the date on which the Company receives such request for a demand registration, and (ii) use its reasonable efforts to cause such registration statement to go effective not less than one hundred twenty (120) days following the date on which the Company receives such request for demand registration. Upon any registration contemplated hereunder, the Company shall bear the entire expense of such registration, and shall indemnify the Executive for any inaccuracies or omissions contained in such registration statement (other than such inaccuracies or omissions which directly arise from the information provided by the Executive).

(b) With a view to making available to Executive the benefits of certain rules and regulations of the SEC which may permit the sale of the Conversion Shares to the public without registration, the Company shall use commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144(c)(1) or any similar or analogous rule promulgated under the Securities Act, at all times after the Closing Date;

(c) The Company shall take all commercially reasonably action to cause the Conversion Shares to be listed on the NASDAQ Capital Market or the TSXV within 15 days of their issuance;

(d) If the registration so proposed by the Company involves an underwritten offering of the securities so being registered for the account of the Company, to be distributed by or through one or more underwriters of recognized standing, and the managing underwriter of such underwritten offering shall advise the Company in writing that, in its opinion, the distribution of all or a specified portion of the Conversion Shares which Executive has requested the Company to register and otherwise concurrently with the securities being distributed by such underwriters will materially and adversely affect the distribution of such securities by such underwriters (such opinion to state the reasons therefor), then the Company will promptly furnish Executive with a copy of such opinion, and by providing such written notice to Executive, Executive may be denied the registration of all or a specified portion of such Conversion Shares (in case of such a denial as to a portion of such Conversion Shares, such portion to be allocated pro rata among Executive and other Executives of similar conversion shares); provided, however, that shares to be registered by the Company for issuance by the Company shall have first priority, registration of Executive's Conversion Shares hereunder shall have second priority (pro-rata along with all Executives of similar conversion shares), and any other shares being registered on account of other third parties shall have third priority.

(v) The rights granted under this Section 6 shall terminate upon delivery to Executive of an opinion of counsel to the Company reasonably satisfactory to Executive to the effect that such rights are no longer necessary for the public sale of the Conversion Shares without restriction as to the number of securities that may be sold at any one time or the manner of sale.

(e) The rights granted under this Section 6 shall not be transferable.

7. TERMINATION.

(a) This Agreement will automatically terminate in the event the Company becomes insolvent, files for bankruptcy, is the subject of involuntary bankruptcy (which is not dismissed within thirty (30) days of filing), has a receiver appointed, or has its assets assigned or if (i) there is a change in control of the Company as defined in the Executives current employment agreement or (ii) the Company disposes of majority of its assets. In the event of termination of the Agreement pursuant to this provision, all unpaid Deferred Compensation due to the Executive is payable immediately.

(b) This Agreement may be terminated at the option of any party if any competent regulatory authority shall have issued an order making illegal or otherwise restricting, preventing, prohibiting or refusing to approve the transactions contemplated hereby.

(c) None of events of termination of this Agreement for whatever reason will relieve or terminate the Company's obligation to pay the Executive any unpaid Deferred Compensation.

8. MISCELLANEOUS.

(a) Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

(b) This Agreement may be executed by facsimile and in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

(c) This Agreement shall be a contract made under and governed by the substantive laws of the State of New York, without giving effect to its conflicts of law principle.

(d) All obligations of the Company and rights of Executive expressed herein shall be in addition to and not in limitation of those provided by applicable law, or in any other agreements between the parties.

(e) This Agreement shall be binding upon the Company, Executive and their respective successors and assigns, and shall inure to the benefit of the Company, Executive and their respective successors and permitted assigns.

(f) The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other person or entity.

(g) If one or more provisions of this letter agreement are held to be unenforceable under applicable law, it shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if it were so excluded and shall be enforceable in accordance with its terms.

(h) All amendments or modifications of this Agreement and all consents, waivers and notices delivered hereunder or in connection herewith shall be in writing and executed by both parties hereto.

(i) This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, between the parties with respect thereto.

(j) The Company shall pay all costs and expenses, including reasonable attorneys' fees, incurred by it or Executive with respect to the negotiation, execution, delivery and performance of this Agreement, including any expenses of enforcing this provision. This provision shall survive termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives or self as of the date first above written.

PAUL TRAVERS (EXECUTIVE)	VUZIX CORPORATION
By: /s/ Paul Travers	By: /s/ Grant Russell
Name: Paul Travers	Name: Grant Russell
Title: President	Title: CFO & Exec VP
Date: March 27, 2013	Date: March 27, 2013

DEFERRED COMPENSATION DEFERRAL AND CONVERSION OPTION AGREEMENT

THIS DEFERRED COMPENSATION DEFERREAL AND CONVERSION OPTION AGREEMENT (this "Agreement"), is entered into as of March 27, 2013, by and between GRANT RUSSELL, a senior office of Vuzix Corporation, with the titles of Executive Vice President and Chief Financial Officer ("Executive") and VUZIX CORPORATION, a Delaware corporation ("Company").

WHEREAS, the parties entered into various letters and agreements of employment and understandings between the periods of May 2000 to December 31, 2008 where the Executive was to receive a regular payment of salary as compensation for his services and

WHEREAS, due to the Company's cash flow at various times not all monies owed were paid when due pursuant to such letters and agreements, but were accrued along with an annual interest of 8%;

WHEREAS, the unpaid salary amounts as of June 2009 were $163,465 along with accrued interest of $71,651;

WHEREAS, pursuant to the Company's initial public offering (the "IPO"), the Company caused the Executive to agree that all outstanding amounts would remain unpaid and further deferred until after the first anniversary of the closing of the IPO, which amounts remain unpaid as of the date of this Agreement;

WHEREAS, the parties entered into an employment agreement dated August 2009 (the "Employment Agreement") pursuant to which the Executive is entitled to receive a base minimum salary of $175,000 per annum, which was to increase by a minimum of $100,000 to $275,000, effective immediately upon the closing of the Company's IPO;

WHEREAS, the Company notified the Executive that it did not raise enough funds in its IPO to begin paying in cash to the Executive his contractual post-IPO minimum salary of $275,000 per annum and that it had to defer the payment of the required $100,000 per annum increase for calendar 2010, and annually thereafter, until such time as it can financially afford to make such payments on a regular basis;

WHEREAS, the Company confirms to Executive that the outstanding balance of the total unpaid salary amount as of December 31, 2012 was $637,567, consisting of $463,465 and unpaid accrued interest totaling $174,102, collectively referred to herein as "Deferred Compensation; and

WHEREAS, in order to attract new investors, meet minimum listing requirements for the Company's shares of common stock on additional public stock exchanges and make financing opportunities more attractive to potential investors, the Company has requested that the Executive agree to (i) defer making a payment demand regarding the Deferred Compensation until April 1, 2014, and (ii) at his discretion convert, in whole or in part, the Deferred Compensation into shares of the Company's common stock, par value $.001 per share ("Common Stock"), pursuant to the terms set forth herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements of the parties hereinafter set forth, the parties hereto hereby agree as follows:

1. DEFERRAL OF PAYMENT.

    a. The Company and Executive acknowledge that the Company does not have sufficient free cash flow to commence a repayment of the Deferred Compensation amounts owed on the date of this Agreement.
    b. The Company will continue to accrue interest at 8% per annum, compounded monthly on all amounts of Deferred Compensation owing.

c. The Company agrees that commencing on April 1, 2014 it will begin equal monthly repayments (principal and interest) of the Deferred Compensation amounts owed to the Executive which has not been converted, over a maximum of 12 months.

2. DEFERED COMPENSATION CONVERSION.

(a) Executive may, subject to the conditions set forth herein, convert, in whole or in part, any unpaid portion of the Deferred Compensation into shares of Common Stock (such shares to be issued to the Executive, the "Conversion Shares") at a conversion price equal to the per share offering price of the Company's shares in its proposed secondary offering underwritten by Aegis Capital, as further described in Section 5 (b), and subject to the approval of the TSX Venture Exchange ("TSXV").

(b) The Company shall comply with all applicable legal requirements and take such other actions as may be necessary to effectuate the Deferred Compensation conversion at the Executive's option, including, but not limited to, providing notices to, and responding to queries from, all applicable regulatory authorities and stock exchanges and obtaining all necessary regulatory and third party consents.

(c) Subject to the terms and conditions set forth herein, this Agreement will become effective on the day that the Company shall have obtained the necessary approvals for the listing of its Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of the securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(d) In the event that as a result of the Deferred Compensation conversion, fractions of shares would be required to be issued, such fractional shares shall be rounded up to the nearest whole share. The Company shall pay any documentary, stamp or similar issue or transfer tax due on such Deferred Compensation Conversion.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to Executive as follows:

(a) As of the date hereof, the Company has 700,000,000 shares of Common Stock authorized, of which 3,536,865 shares of Common Stock are issued and outstanding, and 500,000 shares of preferred stock authorized, of which no shares are issued and outstanding. As of the date hereof, the Company has reserved for issuance 849,371 shares of Common Stock (as may be adjusted for reclassifications, stock dividends, spin-offs or distributions, share combinations or other similar changes affecting the Common Stock as a whole) upon exercise of all outstanding options and warrants. All of the issued and outstanding shares of the Company's Common Stock are, and all shares reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable. The Conversion Shares to be issued and delivered to Executive upon conversion, if any, of the Deferred Compensation have been duly authorized and when issued upon such Deferred Compensation conversion and in accordance with this Agreement, will be validly issued, fully-paid and non-assessable. The Conversion Shares will be "restricted securities" as defined under Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act").

(b) The Company has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. All acts required to be taken by the Company to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken, and this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms, except to the extent limited by laws relating to bankruptcy or insolvency, laws affecting the rights of creditors generally and principles of equity, and does not conflict with, result in a breach or violation of or constitute (or with notice of lapse of time or both constitute) a default under any instrument, contract or other agreement to which the Company or its subsidiaries is a party.

(c) None of the Company's Certificate of Incorporation, as amended, or Bylaws, any agreement to which the Company is a party, or the laws of Delaware, restrict the Company's ability to enter into this Agreement or consummate the transactions contemplated by this Agreement or would limit any of Executive's rights following consummation of the transactions contemplated by this Agreement.

(d) The Company has delivered or made available through EDGAR and SEDAR to Executive prior to the execution of this Agreement true and complete copies of all periodic reports, registration statements and proxy statements filed by it with the U.S Securities and Exchange Commission ("Commission" or "SEC") since December 10, 2009. Each of such filings with the Commission (collectively, the "SEC Filings"), as of its filing date, complied in all material respects with the requirements of the rules and regulations promulgated by the Commission with respect thereto and did not contain any untrue statement of a material fact or omit a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which such statements were made, and the Company has made all required SEC Filings.

(e) Since January 1, 2012 and except as disclosed in the SEC Filings, the Company has conducted its business in compliance in all material respects with all applicable laws, rules, regulations, court or administrative orders and processes and rules, directives and orders of regulatory and self-regulatory agencies and bodies, except as could not reasonably be expected, singly or in the aggregate, to be materially adverse to the business, assets or financial condition of the Company.

(f) No representation or warranty by the Company contained in this Agreement contains any untrue statement of a material fact or omits a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which such statements were made.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF EXECUTIVE. Executive represents, warrants and covenants to the Company as follows:

(a) Executive has full legal power to execute and deliver this Agreement and to perform his obligations hereunder. All acts required to be taken by Executive to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken; and this Agreement constitutes a legal, valid and binding obligation of Executive enforceable in accordance with its terms, except to the extent limited by laws relating to bankruptcy or insolvency, laws affecting the rights of creditors generally and principles of equity.

(b) Executive has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company's securities and has obtained, in his judgment, sufficient information about the Company to evaluate the merits and risks of an investment in the Company.

(c) Executive is relying solely on the representations and warranties contained in Section 3 hereof, the information contained in the SEC Filings and in certificates delivered hereunder in making its decision to enter into this Agreement and consummate the transactions contemplated hereby and no oral representations or warranties of any kind have been made to Executive by the Company or its officers, directors, employees or agents.

(d) Executive understands that if he elects to convert the Deferred Compensation, in whole or in part, the Conversion Shares that he will be purchasing are "restricted securities" under U.S. federal securities laws inasmuch as they will be acquired by him from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Conversion Shares may be resold without registration only in certain limited circumstances. The certificates evidencing the Conversion Shares will bear an appropriate legend regarding these restrictions:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SUCH SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR VUZIX CORPORATION SHALL HAVE RECEIVED AN OPINION OF ITS COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.

WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL THE DATE THAT IS FOUR MONTHS PLUS A DAY AFTER THE DATE OF CONVERSION.

(e) In the absence of an effective registration statement covering the Conversion Shares, the Conversion Shares may only be resold only in accordance with Regulation S, or in a transaction otherwise exempt from registration. Executive will not make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") all or any portion of the Conversion Shares unless (a) there is a registration statement declared effective by the SEC under the Securities Act with respect to the Conversion Shares to be Transferred and no stop order suspending the effectiveness of such registration statement is then in effect under the Securities Act and no proceedings for that purpose have then been instituted or (b) the Transfer is made under a valid exemption to registration under the Securities Act.

5. CONDITIONS.

(a) The obligations of the Company to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of Executive set forth in Section 4 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings to be taken by Executive in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or Executive shall have been obtained in form and substance reasonably satisfactory to the Company.

(iv) All regulatory authorizations, approvals, including approval of the TSXV, or permits that are required for the issuance of the Conversion Shares have been obtained.

(v) Before June 30, 2013, the Company shall have obtained the necessary approvals for the listing of its Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(b) The obligations of Executive to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of the Company set forth in Section 3 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings, corporate or otherwise, to be taken by the Company in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals, or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or Executive shall have been obtained in form and substance reasonably satisfactory to Executive.

(iii) On or before June 30, 2013, the Company shall have obtained the necessary approvals for the listing of its Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

6. REGISTRATION.

(a) The Executive shall have the right to require the Company to register the Conversion Shares issuable upon the conversion of the Deferred Compensation in one (1) or more piggy-back registrations and/or in one (1) demand registration. The Company shall provide notice to the Executive of any registration of its securities not less than thirty (30) days prior to any filing of a registration statement. Upon the Company's receipt of any notice from the Executive that the Executive has requested a piggyback registration or demand registration in accordance with its rights hereunder, the Company shall use its best efforts to (a) in respect of a piggyback registration, including the Conversion Shares issuable upon conversion of the Deferred Compensation in the contemplated registration by the Company (subject to underwriters' cutbacks), or (b) in respect of a demand registration, (i) file a registration statement to register the Conversion Shares issuable upon conversion of the Deferred Compensation not less than forty-five (45) days following the date on which the Company receives such request for a demand registration, and (ii) use its reasonable efforts to cause such registration statement to go effective not less than one hundred twenty (120) days following the date on which the Company receives such request for demand registration. Upon any registration contemplated hereunder, the Company shall bear the entire expense of such registration, and shall indemnify the Executive for any inaccuracies or omissions contained in such registration statement (other than such inaccuracies or omissions which directly arise from the information provided by the Executive).

(b) With a view to making available to Executive the benefits of certain rules and regulations of the SEC which may permit the sale of the Conversion Shares to the public without registration, the Company shall use commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144(c)(1) or any similar or analogous rule promulgated under the Securities Act, at all times after the Closing Date;

(c) The Company shall take all commercially reasonably action to cause the Conversion Shares to be listed on the NASDAQ Capital Market or the TSXV within 15 days of their issuance;

(d) If the registration so proposed by the Company involves an underwritten offering of the securities so being registered for the account of the Company, to be distributed by or through one or more underwriters of recognized standing, and the managing underwriter of such underwritten offering shall advise the Company in writing that, in its opinion, the distribution of all or a specified portion of the Conversion Shares which Executive has requested the Company to register and otherwise concurrently with the securities being distributed by such underwriters will materially and adversely affect the distribution of such securities by such underwriters (such opinion to state the reasons therefor), then the Company will promptly furnish Executive with a copy of such opinion, and by providing such written notice to Executive, Executive may be denied the registration of all or a specified portion of such Conversion Shares (in case of such a denial as to a portion of such Conversion Shares, such portion to be allocated pro rata among Executive and other Executives of similar conversion shares); provided, however, that shares to be registered by the Company for issuance by the Company shall have first priority, registration of Executive's Conversion Shares hereunder shall have second priority (pro-rata along with all Executives of similar conversion shares), and any other shares being registered on account of other third parties shall have third priority.

(v) The rights granted under this Section 6 shall terminate upon delivery to Executive of an opinion of counsel to the Company reasonably satisfactory to Executive to the effect that such rights are no longer necessary for the public sale of the Conversion Shares without restriction as to the number of securities that may be sold at any one time or the manner of sale.

(e) The rights granted under this Section 6 shall not be transferable.

7. TERMINATION.

(a) This Agreement will automatically terminate in the event the Company becomes insolvent, files for bankruptcy, is the subject of involuntary bankruptcy (which is not dismissed within thirty (30) days of filing), has a receiver appointed, or has its assets assigned or if (i) there is a change in control of the Company as defined in the Executives current employment agreement or (ii) the Company disposes of majority of its assets. In the event of termination of the Agreement pursuant to this provision, all unpaid Deferred Compensation due to the Executive is payable immediately.

(b) This Agreement may be terminated at the option of any party if any competent regulatory authority shall have issued an order making illegal or otherwise restricting, preventing, prohibiting or refusing to approve the transactions contemplated hereby.

(c) None of events of termination of this Agreement for whatever reason will relieve or terminate the Company's obligation to pay the Executive any unpaid Deferred Compensation.

8. MISCELLANEOUS.

(a) Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

(b) This Agreement may be executed by facsimile and in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

(c) This Agreement shall be a contract made under and governed by the substantive laws of the State of New York, without giving effect to its conflicts of law principle.

(d) All obligations of the Company and rights of Executive expressed herein shall be in addition to and not in limitation of those provided by applicable law, or in any other agreements between the parties.

(e) This Agreement shall be binding upon the Company, Executive and their respective successors and assigns, and shall inure to the benefit of the Company, Executive and their respective successors and permitted assigns.

(f) The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other person or entity.

(g) If one or more provisions of this letter agreement are held to be unenforceable under applicable law, it shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if it were so excluded and shall be enforceable in accordance with its terms.

(h) All amendments or modifications of this Agreement and all consents, waivers and notices delivered hereunder or in connection herewith shall be in writing and executed by both parties hereto.

(i) This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, between the parties with respect thereto.

(j) The Company shall pay all costs and expenses, including reasonable attorneys' fees, incurred by it or Executive with respect to the negotiation, execution, delivery and performance of this Agreement, including any expenses of enforcing this provision. This provision shall survive termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives or self as of the date first above written.

GRANT RUSSELL (EXECUTIVE)	VUZIX CORPORATION
By: /s/ Grant Russell	By: /s/ Paul Travers
Name: Grant Russell	Name: Paul Travers
Title: CFO & Ex VP	Title: President
Date: March 27, 2013	Date: March 27, 2013

CONVERSION/EXCHANGE AGREEMENT

This CONVERSION/EXCHANGE AGREEMENT (this "Agreement"), is entered into as of March 29, 2013, by and between LC CAPITAL MASTER FUND LTD, a Cayman Islands Corporation ("LC Capital") and VUZIX CORPORATION, a Delaware corporation ("Borrower").

WHEREAS, pursuant to a Convertible Loan and Security Agreement dated as of December 23, 2010 (the "Original Convertible Loan Agreement"), LC Capital made a loan to the Borrower in the principal amount of $4,000,000 (the "Convertible Loan"), and in connection therewith, the Borrower issued and sold to LC Capital and LC Capital purchased from the Borrower, its promissory note due December 23, 2014 (the "Original Convertible Note"), upon the terms and subject to the conditions set forth in the Original Convertible Loan Agreement; and

WHEREAS, on May 19, 2012 the Borrower and the Lender entered into a Promissory Note and Security Agreement (the "Bridge Loan Agreement") pursuant to which the Lender extended to the Borrower a line of credit of up to $500,000 (the "Bridge Loan," and together with the Convertible Loan, the "Loans"); and

WHEREAS, pursuant to the Asset Purchase Agreement, dated as of June 15, 2012, between the Borrower and TDG Acquisition Company, LLC (the "Purchaser," and such agreement, the "Purchase Agreement"), the Borrower has, with the consent of LC Capital, sold the Acquired Assets (as defined in the Purchase Agreement) to the Purchaser (such disposition of assets, the "TDG Disposition") and paid LC Capital the amount of $4,299,096 in reduction of the Loans; and

WHEREAS, as a result of such payment, the Bridge Loan was repaid in full;

WHEREAS, on June 15, 2012, in connection with the Purchase Agreement and as a condition to LC Capital consenting to the TDG Disposition, the Borrower and LC Capital entered into a letter agreement outlining the modifications to the Original Convertible Loan Agreement that would be required for LC Capital to be willing to consent to the TDG Disposition.

WHEREAS, to effect such modified terms, the Borrower and LC Capital (i) amended and restated the Original Convertible Loan Agreement as to the Amended and Restated Loan and Security Agreement, dated as of June 15, 2012, between LC Capital and the Borrower and (ii) amended and restated the Original Convertible Note as to the Convertible Promissory Note, dated as of June 15, 2012, in the amount of $619,122 (the "Convertible Note");

WHEREAS, the current outstanding balance of the Convertible Loan is $619,122 plus $22,907 of Accrued but unpaid Interest.

WHEREAS, pursuant to the [Warrant Agreement], dated December 23, 2010, the Borrower issued certain warrants to LC Capital and, following certain restructurings of the Borrower and agreements with LC Capital, LC Capital currently owns 533,333 warrants to purchase Common Stock (defined below) exercisable at $7.44 per share (the "Warrants");

WHEREAS, in order to attract new investors and make financing opportunities more attractive to potential investors, the Borrower has requested that LC Capital convert the Convertible Note into shares of the Borrower's common stock, par value $.001 per share ("Common Stock"), and exchange the Warrants for shares of Common Stock, in each case pursuant to the terms set forth herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements of the parties hereinafter set forth, the parties hereto hereby agree as follows:

1. DEBT CONVERSION; WARRANT EXCHANGE.

(a) (1) LC Capital agrees, subject to the conditions set forth herein, to convert the principal and accrued but unpaid interest on the Convertible Note ("Debt Conversion") into shares of Common Stock (such shares to be owned by LC Capital, the "Conversion Shares") either, as LC Capital may decide in its sole discretion, (i) pursuant to the terms of the Convertible Note or (ii) at a conversion price equal to the per share offering price of the Company's shares in its proposed secondary offering with Aegis Capital, as further described in Section 4(a)(v),.

(2) The Borrower shall comply with all legal requirements applicable and take such other actions as may be necessary to effectuate the Debt Conversion, including, but not limited to, providing notices to, and responding to queries from, all applicable regulatory authorities and stock exchanges and obtaining all necessary regulatory and third party consents.

(b) (1) LC Capital and the Borrower agree, subject to the conditions set forth herein, to exchange the Warrants (the "Warrant Exchange") for the greater of (A) 200,000 shares of Common Stock, or (B) the Black Scholes Value of each Warrant (calculated using the Bloomberg OV function) as of the date of the pricing of the proposed secondary offering with Aegis Capital (the "Reference Date") based upon the per share offering price of the Company's shares in its proposed secondary offering with Aegis Capital, as further described in Section 4(a)(V), using a 65% volatility and a 0.5% interest rate, multiplied by the number of Warrant Shares divided by the offering price [(Black Scholes Value of each Warrant * # of Warrant Shares)/Aegis Offering Price] (such shares to be owned by LC Capital in exchange for the Warrants, the "Exchange Shares").

(2) The Borrower shall comply with all legal requirements applicable and take such other actions as may be necessary to effectuate the Warrant Exchange, including, but not limited to, providing notices to, and responding to queries from, all applicable regulatory authorities and stock exchanges and obtaining all necessary regulatory and third party consents.

(c) Subject to the terms and conditions of this Agreement, the consummation of the Debt Conversion and the Warrant Exchange shall take place at a closing ("Closing" and the date of the Closing, the "Closing Date") to be held at 10:00 a.m., local time, on the fourth business day after the date on which the last of the conditions set forth in Section 4(a) and (b) below is fulfilled, at the offices of Sichenzia Ross Friedman Ference LLP, 32 Floor, 61 Broadway, New York, New York 10006, or at such other time, date or place as the parties may agree upon in writing. The Borrower shall send to LC Capital at least two business days prior to the Closing a notice indicating (i) the amount of unpaid interest accrued on the Convertible Note through the date of the Closing and the number of shares of Common Stock LC Capital will be issued upon the Debt Conversion, and (ii) the Black Scholes value of the Warrants as of the Reference Date (calculated in accordance with Section 1(b)) and the number of shares that will be issued upon the Warrant Exchange. At the Closing, LC Capital shall deliver the Convertible Note and the Warrants for cancellation and the Borrower shall deliver to LC Capital certificates representing the Conversion Shares and the Exchange Shares to which LC Capital is entitled as a result of such Debt Conversion and Warrant Exchange. From and after the Closing, the Convertible Note and the Warrants shall represent solely the right to receive Conversion Shares and Exchange Shares, as applicable. If LC Capital has lost the Convertible Note and/or the Warrant and is unable to deliver the Convertible Note and/or the Warrant at the Closing, it shall submit an affidavit of loss and indemnity agreement so that the Convertible Note and/or Warrant may be replaced and deemed cancelled in accordance with the terms hereof. In the event that as a result of the Debt Conversion or Warrant Exchange, fractions of shares would be required to be issued, such fractional shares shall be rounded up to the nearest whole share. The Borrower shall pay any documentary, stamp or similar issue or transfer tax due on such Debt Conversion or Warrant Exchange.

(d) Upon and after Closing and following the issuance of the Conversion Shares and Exchange Shares, any and all obligations of the Borrower under the Convertible Note and the Warrants shall automatically, and without further action, terminate and be null and void, and, with respect to the Convertible Note, LC Capital hereby authorizes the Borrower to file a UCC-3 or other appropriate form to terminate any and all liens against the assets and property of the Borrower, including the Borrower's intellectual property, software code, trademarks and trade names, or other security interest of LC Capital.

2. REPRESENTATIONS AND WARRANTIES OF THE BORROWER. The Borrower hereby represents and warrants to LC Capital as follows:

(a) As of the date hereof, the Borrower has 700,000,000 shares of Common Stock authorized, of which 3,536,865 shares of Common Stock are issued and outstanding, and 5,000,000 shares of preferred stock authorized, of which no shares are issued and outstanding. As of the date hereof, the Borrower has reserved for issuance 1,055,850shares of Common Stock (as may be adjusted for reclassifications, stock dividends, spin-offs or distributions, share combinations or other similar changes affecting the Common Stock as a whole) upon exercise of all outstanding options and warrants (including the Warrants). A further 332,287 shares of Common Stock (as may be adjusted for reclassifications, stock dividends, spin-offs or distributions, share combinations or other similar changes affecting the Common Stock as a whole) upon the conversion of outstanding convertible debt (including the Convertible Note) and deferred compensation, but does not include the issuance of further shares related to other existing debt conversion agreements the Borrower is currently entering into with its other secured creditors. All of the issued and outstanding shares of the Borrower's Common Stock are, and all shares reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized, validly issued, fully paid and nonassessable. The Conversion Shares and Exchange Shares to be issued and delivered to LC Capital upon conversion of the Convertible Note and the exchange of the Warrants have been duly authorized and when issued upon such Debt Conversion or Warrant Exchange and in accordance with this Agreement, will be validly issued, fully-paid and non-assessable. The Conversion Shares and the Exchange Shares will be "restricted securities" as defined under Rule 144 promulgated under the Securities Act of 1933, as amended (the “Securities Act”).

(b) The Borrower has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. All acts required to be taken by the Borrower to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken (including obtaining the consent of any security holder of the Borrower), and this Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms and does not conflict with, result in a breach or violation of or constitute (or with notice of lapse of time or both constitute) a default under any instrument, contract or other agreement to which the Borrower or its subsidiaries is a party.

(c) None of the Borrower's Certificate of Incorporation, as amended, or Bylaws, any agreement to which the Borrower is a party, or the laws of Delaware, or New York, restrict the Borrower's ability to enter into this Agreement or consummate the transactions contemplated by this Agreement or would limit any of LC Capital's rights following consummation of the transactions contemplated by this Agreement.

(d) The Borrower has delivered or made available through EDGAR and SEDAR to LC Capital prior to the execution of this Agreement true and complete copies of all periodic reports, registration statements and proxy statements filed by it with the U.S Securities and Exchange Commission (“Commission” or “SEC”) since December 10, 2009. Each of such filings with the Commission (collectively, the "SEC Filings"), as of its filing date, complied in all material respects with the requirements of the rules and regulations promulgated by the Commission with respect thereto and did not contain any untrue statement of a material fact or omit a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which such statements were made, and the Borrower has made all required SEC Filings.

(e) Since January 1, 2012 and except as disclosed in the SEC Filings, the Borrower has conducted its business in compliance in all material respects with all applicable laws, rules, regulations, court or administrative orders and processes and rules, directives and orders of regulatory and self-regulatory agencies and bodies, except as could not reasonably be expected, singly or in the aggregate, to be materially adverse to the business, assets or financial condition of the Borrower.

(f) The Borrower has, or will have as of prior to the Closing Date registered its Common Stock to trade on NASDAQ Capital Markets and, any consents or approvals necessary to consummate the transactions contemplated hereby (including from any government, self-regulatory organization, exchanges, contractual counterparty or security holder of the Borrower) have been obtained (or will be obtained prior to the Closing).

(g) No representation or warranty by the Borrower contained in this Agreement contains any untrue statement of a material fact or omits a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which such statements were made.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LC CAPITAL. LC Capital represents, warrants and covenants to the Borrower as follows:

(a) LC Capital has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. LC Capital represents and warrants that it is the sole legal and beneficial holder of the Convertible Note being converted and the Warrants being exchanged by LC Capital hereunder. On the Closing Date, LC Capital shall deliver good, valid and marketable title to the Convertible Note and the Warrants transferred to the Borrower hereunder for cancellation, free and clear of any liens, charges, and encumbrances. All acts required to be taken by LC Capital to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken; and this Agreement constitutes a legal, valid and binding obligation of LC Capital enforceable in accordance with its terms.

(b) LC Capital has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Borrower's securities and has obtained, in its judgment, sufficient information about the Borrower to evaluate the merits and risks of an investment in the Borrower.

(c) LC Capital is relying solely on the representations and warranties contained in Section 2 hereof, the information contained in the SEC Filings and in certificates delivered hereunder in making its decision to enter into this Agreement and consummate the transactions contemplated hereby and no oral representations or warranties of any kind have been made by the Borrower or its officers, directors, employees or agents to LC Capital.

(d) LC Capital represents, warrants and agrees that (i) the Conversion Shares and the Exchange Shares it receives will be acquired for investment purposes only for their own account or for the account of controlled affiliates, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that they have no present intention of selling, granting any participation in or otherwise distributing the same, (ii) it is not party to any undisclosed contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person with respect to any of Conversion Shares or the Exchange Shares, (iii) it has not been formed for the specific purpose of acquiring the Conversion Shares or the Exchange Shares, (iv) it has received or has had full access to all the information it considers necessary or appropriate for deciding whether to receive the Conversion Shares and the Exchange Shares on the terms set forth herein and has had an opportunity to ask questions and receive answers regarding the terms and conditions of the Conversion Shares and the Exchange Shares, and the Borrower’s business, properties, prospects and financial condition, (v) that it is financially sophisticated and is able to fend for itself, can bear the economic risk of the investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Conversion Shares and the Exchange Shares, (vi) it is an "accredited investor" or a "qualified institutional buyer" within the meaning of current SEC rules.

(e) LC Capital understands that the Conversion Shares and Exchange Shares it is receiving hereunder are "restricted securities" under U.S. federal securities laws inasmuch as they will be acquired by it from the Borrower in a transaction not involving a public offering and that under such laws and applicable regulations such Conversion Shares and Exchange Shares may be resold without registration only in certain limited circumstances. LC Capital further understands that the Conversion Shares and Exchange Shares may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange until the date that is four months plus a day after the Closing Date. The certificates evidencing the Conversion Shares and Exchange Shares will bear an appropriate legend regarding these restrictions:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR VUZIX CORPORATION SHALL HAVE RECEIVED AN OPINION OF ITS COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.

(h) In the absence of an effective registration statement covering the Conversion Shares and the Exchange Shares, the Conversion Shares and the Exchange Shares may only be resold only in accordance with Regulation S, or in a transaction otherwise exempt from registration. LC Capital will not make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") all or any portion of the Conversion Shares or the Exchange Shares unless (a) there is a registration statement declared effective by the SEC under the Securities Act with respect to the Conversion Shares and/or the Exchange Shares to be Transferred and no stop order suspending the effectiveness of such registration statement is then in effect under the Securities Act and no proceedings for that purpose have then been instituted or (b) the Transfer is made under a valid exemption to registration under the Securities Act.

4. CONDITIONS.

(a) The obligations of the Borrower to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of LC Capital set forth in Section 3 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings, corporate or otherwise, to be taken by LC Capital in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals or authorizations of any governmental or regulatory authority, exchanges or other third party required to be obtained by the Borrower or LC Capital shall have been obtained in form and substance reasonably satisfactory to the Borrower.

(iii) LC capital shall have delivered to the Borrower for cancellation the Convertible Note or and the Warrants or affidavits of loss and indemnity.

(iv) all governmental or regulatory authorizations, approvals or permits that are required for the issuance of the Conversion Shares and the Exchange Shares have been obtained

(v) The Borrower shall have obtained the necessary approvals for the listing of the Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(b) The obligations of LC Capital to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

(i) The representations and warranties of the Borrower set forth in Section 2 hereof shall be true and correct on and as of the Closing Date and a certificate certifying such shall be delivered.

(ii) All proceedings, corporate or otherwise, to be taken by the Borrower in connection with the consummation of the transactions contemplated by this Agreement shall have been duly and validly taken and all necessary consents, approvals or authorizations of any governmental or regulatory authority, exchanges or other third party required to be obtained by the Borrower or LC Capital shall have been obtained in form and substance reasonably satisfactory to LC Capital.

(iii) The Borrower shall have obtained the necessary approvals for the listing of the Common Stock on the NASDAQ Capital Market and shall have consummated a public offering of its securities as described in its Registration Statement on Form S-1, filed with the SEC on December 21, 2012.

(iv) LC Capital shall have delivered to the Borrower for cancellation its Convertible Note and the Warrants or affidavits of loss and indemnity.

5. REGISTRATION.

(a) *Registration Upon Conversion/Exchange*. (i) promptly and in any event not later than forty-five (45) days following the Closing Date (the "Filing Deadline"), the Borrower shall prepare and file with the U.S. Securities and Exchange Commission (the "SEC"), a Registration Statement on Form S-1 (or such other form as the Borrower is then eligible to use) registering the resale from time to time by LC Capital of the Conversion Shares and the Exchange Shares pursuant to a plan of distribution reasonably acceptable to LC Capital (the "Registration Statement"). The Borrower shall deliver to LC Capital a copy of the Registration Statement and give LC Capital and its counsel the reasonable opportunity to review and comment on the Registration Statement. The Borrower shall notify LC Capital promptly and no later than three (3) business days of the receipt of the comments of the SEC, if any, and of any request by the SEC for amendments or supplements to the Registration Statement or for additional information with respect thereto and if required, provide LC Capital with copies of all correspondence between the Borrower or its representatives, on the one hand, and the SEC or members of its staff, on the other hand, with respect to the Registration Statement. The Borrower shall cause the Registration Statement, including any prospectus contained therein, and any post-effective amendments thereto to comply in all material respects with the requirements of the SEC and, as of their respective dates, to not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Borrower shall cause the Registration Statement to be declared effective by the SEC on the earlier of (a) ninety (90) days after the Closing Date, or (b) the third business day following the date on which the Borrower is notified by the SEC that the Registration Statement will not be reviewed or is no longer subject to further review and comments (the "Effectiveness Deadline"), and to keep such Registration Statement continuously effective under the Securities Act until the earlier of (i) the date on which all Conversion Shares and the Exchange Shares registered on such Registration Statement have been sold by LC Capital (the "Registration Termination Date"); or (ii) the date on which all Conversion Shares and the Exchange Shares may be sold pursuant to the Rule 144 without restriction or limitation.

(ii) The Borrower shall supplement and amend the Registration Statement if required by the rules, regulations or instructions applicable to the registration form used by the Borrower for such Registration Statement, if required by the Securities Act and the rules and regulations of the SEC thereunder, or to the extent to which the Borrower does not reasonably object, as requested by LC Capital;

(iii) The Borrower shall furnish to LC Capital such number of copies of the Registration Statement, prospectus supplements and such other documents as LC Capital may reasonably request, in order to facilitate the public sale or other disposition of all or any of the Conversion Shares and the Exchange Shares;

(iv) (a) To prepare and file in such jurisdictions such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof at all times until the Registration Termination Date and otherwise comply with applicable law, and (b) take all such other lawful actions as may be necessary to maintain such registrations, qualifications and exemptions in effect at all times until the Registration Termination Date.

(v) As promptly as practicable after becoming aware of such event, notify LC Capital of the occurrence of any event, as a result of which the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and promptly prepare a supplement to the Registration Statement to correct such untrue statement or omission, and deliver a number of copies of such supplement to LC Capital as it may reasonably request. As promptly as practicable after becoming aware of such event, notify LC Capital of the issuance by the SEC of any stop order or other suspension of the effectiveness of the Registration Statement and take all lawful action to effect the withdrawal, rescission or removal of such stop order or other suspension;

(vi) With a view to making available to LC Capital the benefits of certain rules and regulations of the SEC which may permit the sale of the Conversion Shares and the Exchange Shares to the public without registration, the Borrower shall use commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144(c)(1) or any similar or analogous rule promulgated under the Securities Act, at all times after the Closing Date;

(vii) The Borrower shall take all commercially reasonably action to cause the Conversion Shares and the Exchange Shares to be listed on the NASDAQ Capital Market within 15 days of their issuance;

(viii) All Registration Expenses (as defined below) incurred in connection with the registrations pursuant to this Section 5 shall be borne by the Borrower. "Registration Expenses" shall mean all expenses incurred by the Borrower in complying with this Section 5 hereof including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Borrower, and the expense of any special audits incident to or required by any such registration;

(ix) In the event that the Borrower has not filed the Registration Statement on or prior to the Filing Deadline, the Borrower shall, as liquidated damages for such failure, immediately distribute to LC Capital 15,000 warrants to purchase the Borrower's common stock with an exercise price equal to the closing Market Price of the Borrower's common stock on the day of such distribution (the "Damages Warrants"), and shall further distribute to LC Capital an additional 15,000 Damages Warrants at each subsequent 30 day interval during which the Borrower has failed to file the Registration Statement (or ratable portion thereof if the Registration Statement is filed prior to the subsequent 30 day interval). In the event that the Registration Statement has not been declared effective on or prior to the Effectiveness Deadline, the Borrower shall, as liquidated damages for such failure (but without duplication of any concurrent Damages Warrants awarded for failure to file the Registration Statement by the Filing Deadline), immediately distribute to LC Capital 15,000 Damages Warrants and shall further distribute to LC Capital an additional 15,000 Damages Warrants at each subsequent 30 day interval during which the Registration Statement is not effective (or ratable portion thereof if the Registration Statement becomes effective prior to the subsequent 30 day interval).

(b) *Piggyback Registration*. (i) For a period of twelve (12) months following the Closing Date, if the Borrower shall decide to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than (i) in connection with the Registration Statement on Form S-1 and any existing or future amendments thereto (File No. 333-185661) as originally filed with the SEC on December 21, 2012 or (ii) on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the stock option or other employee benefit plans, then the Borrower shall send to LC Capital a written notice of such determination and, if within fifteen days after the date of such notice, LC Capital shall so request in writing, the Borrower shall include in such registration statement, all or any part of LC Capital's Conversion Shares and Exchange Shares (collectively, the "Registrable Securities") LC Capital requests to be registered; provided, however, that, the Borrower shall not be required to register any Registrable Securities that are the subject of a then effective registration statement; provided, further, however,

(ii) if the registration statement is an offering to be made on a continuous basis pursuant to Rule 415 and is not on a Form S-3, and the SEC advises the Borrower that all of the Registrable Securities which LC Capital has requested to be registered may not be included under Rule 415(a)(i), then the number of Registrable Securities to be registered for LC Capital shall be reduced pro-rata among all the holders of conversion shares that received such conversion shares upon a debt conversion similar to the Debt Conversion (such shares, "Similar Conversion Shares," and any such debt conversion, a "Similar Debt Conversion"), to an amount to which is permitted by the Commission for resale under Rule 415(a)(i) and LC Capital shall have the right to designate which of its Registrable Securities shall be omitted from the Registration Statement; and

(iii) if the registration so proposed by the Borrower involves an underwritten offering of the securities so being registered for the account of the Borrower, to be distributed by or through one or more underwriters of recognized standing, and the managing underwriter of such underwritten offering shall advise the Borrower in writing that, in its opinion, the distribution of all or a specified portion of the Registrable Securities which LC Capital has requested the Borrower to register and otherwise concurrently with the securities being distributed by such underwriters will materially and adversely affect the distribution of such securities by such underwriters (such opinion to state the reasons therefor), then the Borrower will promptly furnish LC Capital of Registrable Securities with a copy of such opinion, and by providing such written notice to LC Capital, LC Capital may be denied the registration of all or a specified portion of such Registrable Securities (in case of such a denial as to a portion of such Registrable Securities, such portion to be allocated pro rata among LC Capital and other holders of Similar Conversion Shares); provided, however, that shares to be registered by the Borrower for issuance by the Borrower shall have first priority, registration of LC Capital's Registrable Securities hereunder shall have second priority (pro-rata along with all holders of Similar Conversion Shares), and any other shares being registered on account of other third parties shall have third priority.

(c) The rights granted under this Section 5 shall terminate upon delivery to LC Capital of an opinion of counsel to the Borrower reasonably satisfactory to LC Capital to the effect that such rights are no longer necessary for the public sale of the Conversion Shares and Exchange Shares without restriction as to the number of securities that may be sold at any one time or the manner of sale.

(d) The rights granted under this Section 5 shall not be transferable.

6. [RESERVED]

7. TERMINATION. This Agreement may be terminated no later than the Closing:

(a) At the option of any party in the event that the Debt Conversion and Warrant Exchange have not occurred by June 30, 2013 and such delay was not as a result of any breach of this Agreement by the terminating party;

(b) By LC Capital if the Borrower's Board of Directors fails to recommend by April 12, 2013 or withdraws its approval or recommendation of the Debt Conversion and the Warrant Exchange;

(c) At the option of any party if any other party has materially breached a term of this Agreement and has not cured such breach within 30 days; or

(d) At the option of any party if any competent regulatory authority or exchange shall have issued an order making illegal or otherwise restricting, preventing, prohibiting or refusing to approve the transactions contemplated hereby.

(e) By the Borrower in the event that its make a final determination in its sole discretion, considering whatever factors it deems relevant, not to consummate the Debt Conversion or the Warrant Exchange.

8. MISCELLANEOUS.

(a) Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

(b) This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

(c) This Agreement shall be a contract made under and governed by the laws of the State of New York.

(d) All obligations of the Borrower and rights of LC Capital expressed herein shall be in addition to and not in limitation of those provided by applicable law.

(e) This Agreement shall be binding upon the Borrower, LC Capital and their respective successors and assigns, and shall inure to the benefit of the Borrower, LC Capital and their respective successors and permitted assigns.

(f) The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other person or entity.

(g) If one or more provisions of this letter agreement are held to be unenforceable under applicable law, it shall be excluded from this letter agreement and the balance of the letter agreement shall be interpreted as if it were so excluded and shall be enforceable in accordance with its terms.

(h) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(i) All amendments or modifications of this Agreement and all consents, waivers and notices delivered hereunder or in connection herewith shall be in writing and executed by both parties hereto.

(j) This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties with respect thereto.

(k) Each of the Borrower and LC Capital hereby irrevocably waives all right to a trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement and the transactions contemplated hereby.

(l) Whether or not the Closing occurs, the Borrower shall pay all costs and expenses, including reasonable attorneys' fees, incurred by it or LC Capital with respect to the negotiation, execution, delivery and performance of this Agreement, including any expenses of enforcing this provision. This provision shall survive termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives or self as of the date first above written.

LC CAPITAL MASTER FUND LTD:

By: /s/ Richard F. Conway

Name: Richard F. Conway

Title: Director

Date: 3-29-13

VUZIX CORPORATION

By: /s/ Paul Travers

Name: Paul Travers

Title: President

Date: March 29, 2013

Amendment To

DEBT CONVERSION AGREEMENT

This Agreement (the "Amendment Agreement") is an amendment to the Debt Conversion Agreement dated the 21st day of March, 2013 ("Conversion Agreement"), by and between VAST TECHNOLOGIES, INC. ("Holder"), and VUZIX CORPORATION, a Delaware corporation ("Company").

In consideration of the mutual covenants and agreements contained herein and in the Debt Conversion Agreement, the parties agree to amend the Conversion Agreement effective immediately as follows:

1. Paragraph 3 (g) of the Conversion Agreement currently provides that:

   (g) In the absence of an effective registration statement covering the Conversion Shares, the Conversion Shares may only be resold only in accordance with Regulation S, or in a transaction otherwise exempt from registration. *The Holder agrees not to make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") any Conversion Shares for a period of at least 180 days from the Closing Date.* They will not Transfer all or any portion of the Conversion Shares unless (a) there is a registration statement declared effective by the SEC under the Securities Act of 1933, as amended (the "1933 Act") with respect to the Conversion Shares to be Transferred and no stop order suspending the effectiveness of such registration statement is then in effect under the 1933 Act and no proceedings for that purpose have then been instituted or (b) the Transfer is made under a valid exemption to registration under the 1933 Act.

   The Conversion Agreement is hereby amended to delete the entire sentence from 3(g) - *"The Holder agrees not to make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") any Conversion Shares for a period of at least 180 days from the Closing Date.*"

2. All other provisions and terms of the Conversion Agreement shall remain the in effect in accordance with their original terms.

EXECUTED on this 31st day of March 2013.

Company: Vuzix Corporation	Holder: Vast Technologies, Inc.
By: /s/ Paul Travers	By: /s/ Johnny Wei-Chuan Liao
Name: Paul Travers	Name: Johnny Wei-Chuan Liao
Title: President & CEO	Title: President

Amendment To

DEBT CONVERSION AGREEMENT

This Agreement (the "Amendment Agreement") is an amendment to the Debt Conversion Agreement dated the 25th day of March, 2013 ("Conversion Agreement"), by and between KOPIN CORPORATION ("Holder"), and VUZIX CORPORATION, a Delaware corporation ("Company").

In consideration of the mutual covenants and agreements contained herein and in the Debt Conversion Agreement, the parties agree to amend the Conversion Agreement effective immediately as follows:

1. Paragraph 3 (g) of the Conversion Agreement currently provides that:

   (g) In the absence of an effective registration statement covering the Conversion Shares, the Conversion Shares may only be resold only in accordance with Regulation S, or in a transaction otherwise exempt from registration. *The Holder agrees not to make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") any Conversion Shares for a period of at least 180 days from the Closing Date.* They will not Transfer all or any portion of the Conversion Shares unless (a) there is a registration statement declared effective by the SEC under the Securities Act of 1933, as amended (the "1933 Act") with respect to the Conversion Shares to be Transferred and no stop order suspending the effectiveness of such registration statement is then in effect under the 1933 Act and no proceedings for that purpose have then been instituted or (b) the Transfer is made under a valid exemption to registration under the 1933 Act.

   The Conversion Agreement is hereby amended to delete the entire sentence from 3(g) - *"The Holder agrees not to make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") any Conversion Shares for a period of at least 180 days from the Closing Date.*"

2. All other provisions and terms of the Conversion Agreement shall remain the in effect in accordance with their original terms.

EXECUTED on this __th day of March 2013.

Company: Vuzix Corporation

By: /s/ Paul Travers
Name: Paul Travers
Title: President & CEO

Holder: Kopin Corporation

By: /s/ Richard Sneider
Name: Richard Sneider
Title: CFO

Amendment To

DEBT CONVERSION AGREEMENT

This Agreement (the "Amendment Agreement") is an amendment to the Debt Conversion Agreement dated the 27th day of March, 2013 ("Conversion Agreement"), by and between PAUL J. TRAVERS ("Holder"), and VUZIX CORPORATION, a Delaware corporation ("Company").

In consideration of the mutual covenants and agreements contained herein and in the Debt Conversion Agreement, the parties agree to amend the Conversion Agreement effective immediately as follows:

1. Paragraph 3 (g) of the Conversion Agreement currently provides that:

   (g) In the absence of an effective registration statement covering the Conversion Shares, the Conversion Shares may only be resold only in accordance with Regulation S, or in a transaction otherwise exempt from registration. *The Holder agrees not to make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") any Conversion Shares for a period of at least 180 days from the Closing Date.* They will not Transfer all or any portion of the Conversion Shares unless (a) there is a registration statement declared effective by the SEC under the Securities Act of 1933, as amended (the "1933 Act") with respect to the Conversion Shares to be Transferred and no stop order suspending the effectiveness of such registration statement is then in effect under the 1933 Act and no proceedings for that purpose have then been instituted or (b) the Transfer is made under a valid exemption to registration under the 1933 Act.

   The Conversion Agreement is hereby amended to delete the entire sentence from 3(g) - *"The Holder agrees not to make any direct or indirect disposition, sale, transfer, pledge, hedge (including by way of short selling) or otherwise encumber ("Transfer") any Conversion Shares for a period of at least 180 days from the Closing Date.*"

2. All other provisions and terms of the Conversion Agreement shall remain the in effect in accordance with their original terms.

EXECUTED on this __th day of March 2013.

Company: Vuzix Corporation

By: /s/ Grant Russell
Name: Grant Russell
Title: CFO

Holder: Paul J. Travers

By: /s/ Paul Travers
Name: Paul J. Travers
Title: President & CEO

Press Release

Vuzix Announces Agreements for $4.2 Million in Debt Restructuring

ROCHESTER, NEW YORK (April 1, 2013) - Vuzix Corporation (TSX-V: VZX, OTC:BB: VUZI, FMB: V7X) ("Vuzix" or, the "Company"), a leading supplier of Video Eyewear and smart glasses products in the consumer, commercial and entertainment markets, reported today that it has entered into definitive agreements with the holders of outstanding secured promissory notes to convert all their debt subject to the closing of the Company's proposed public stock offering. Pursuant to these agreements, the various holders have agreed to convert their outstanding secured promissory notes, in the total principal amounts of $2,374,692 (as of December 31, 2012), together with accrued interest thereon (equal to $411,572 as of December 31, 2012) into shares of the Company's common stock, subject to the closing of the Company's proposed public stock offering, at a conversion price equal to the public offering price (or in the case of one lender, at its option, the conversion price provided in its notes). That same lender also agreed, subject to the closing of the Company's proposed public stock offering, to exchange its outstanding warrants to purchase 533,333 shares of the Company's common stock into the greater of (a) 200,000 shares of the Company's common stock, or (b) the Black Scholes value of the warrants as of the date of the pricing of the Company's proposed public stock offering based upon the per share offering price,.

The Company also entered into deferred compensation deferral and conversion option agreements with its President, Paul Travers and its CFO, Grant Russell that are subject to and effective upon the closing of the Company's proposed public stock offering. Under these agreements, unpaid salary owed to them, in the aggregate amount of $1,452,735 (including $442,638 in accrued interest, as of December 31, 2012), will be convertible into shares of the Company's common stock, at their option, at a conversion price equal to the offering price of the Company's proposed public stock offering, subject to approval of the TSX Venture Exchange. In addition, any remaining unconverted amounts will be due and payable beginning April 1, 2014 in equal monthly payments over a maximum of 12 months.

The closing of all these transactions is subject to approval of the TSX Venture Exchange and satisfaction of customary closing conditions, as well as the closing of the Company's proposed public stock offering by June 30, 2013.

Paul Travers, Chief Executive Officer of Vuzix, said that, "This debt restructuring where up to a $4,238,998 in liabilities will be converted to equity will dramatically improve our balance sheet and should help make Vuzix more attractive to our current and new investors. Further it shows the continuing support and belief of our senior creditors and management of the exciting future potential for Vuzix."

Further details of the debt restructurings will be available in the Company's Form 8-K filed with the SEC by the Company and all of the transaction documents will be filed as exhibits to the Form 8-K.

The securities to be issued upon the closing of the conversions and warrant exchange have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or applicable state securities laws. Accordingly, the securities may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act and such applicable state securities laws.

This release does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company.

About Vuzix Corporation

Vuzix is a leading supplier of Video Eyewear products in the consumer, commercial and entertainment markets. The Company's products, personal display devices that offer users a portable high quality viewing experience, provide solutions for mobility, wearable displays and virtual and augmented reality. Vuzix holds 32 patents and has additional patents pending and numerous IP licenses in the Video Eyewear field. The company has won Consumer Electronics Show (or CES) awards for innovation for the years 2005 to 2013 and several wireless technology innovation awards, among others. Founded in 1997, Vuzix is a public company (TSX-V:VZX - News, OTC:BB: VUZI, FMB: V7X) with offices in Rochester, NY, Oxford, UK and Tokyo, Japan. For more information visit www.vuzix.com.

Forward-Looking Statements Disclaimer

Certain statements contained in this release are "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. Forward looking statements contained in this release relate to the actual conversion and exchange of the debt and warrants, the effectiveness of the deferred compensation arrangements, the Company's ability to undertake the proposed public offering or consummate such offering, the effects on Vuzix' balance sheet of the arrangements described herein, and whether or not they will increase attractiveness of the Company to its existing and new investors, among other things, and the Company's leadership in the Video Eyewear industry. They are generally identified by words such as "believes," "may," "expects," "anticipates," "should" and similar expressions. Readers should not place undue reliance on such forward-looking statements, which are based upon the Company's beliefs and assumptions as of the date of this release. The Company's actual results could differ materially due to risk factors and other items described in more detail in the "Risk Factors" section of the Company's Annual Reports and MD&A filed with the United States Securities and Exchange Commission and applicable Canadian securities regulators (copies of which may be obtained at www.sedar.com or www.sec.gov). Subsequent events and developments may cause these forward-looking statements to change. The Company specifically disclaims any obligation or intention to update or revise these forward-looking statements as a result of changed events or circumstances that occur after the date of this release, except as required by applicable law.

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