

01-27-1999

NT OF COMMERCE
nd Trademark Office



100948759

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Logic Laboratories, Inc.

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

3. Nature of conveyance:

1-25-99

☐ Assignment

☐ Merger

☒ Security Agreement

☐ Change of Name

☐ Other: _____

Execution Date:

11-13-98

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

Name: Horace T. Ardinger, Jr.

Internal Address: _____

Street Address: 9040 Governor's Row

City Dallas State Texas ZIP 75356

Additional name(s) & address(es) attached? ☐ Yes ☒ No

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

If this document is being filed with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s)

08/496,623, Gas Discharge Lap and Power Distribution System

5,485,057, Gas Discharge Lamp and Power Distribution System

Additional numbers attached? ☒ Yes ☐ No

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

Name: Philip G. Meyers

Internal Address: Gardere & Wynne, LLP

Street Address: 3000 Thanksgiving Tower, 1601 Elm Street

City Dallas State TX ZIP 75201

6. Total number of applications and patents involved: 8

7. Total fee (37 CFR 3.41) \$320.00

☒ Enclosed

☒ Authorized to be charged to deposit account if there is an underpayment.

8. Deposit account number: 07-0153

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

320E

9. Statement and signature.

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

Philip G. Meyers, Reg. No. 30,478

Name of Person Signing and Reg. No.

Signature

Date

01/26/1999 DNGUYEN 00000202 5485057

01 FC:581

320.00 DP

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

Patent Application No(s)**Patent No.(s)**

08/496,623, Gas Discharge Lap and Power Distribution System

5,485,057, Gas Discharge Lamp and Power Distribution System

08/520,881, Gas Discharge Lap and Power Distribution System

5,654,609, Gas Discharge Lamp and Power Distribution System

08/656,687, Improved Dynamic Range Dimmer for
Gas Discharge Lamps

08/845,924, Method and Apparatus for Starting and Operating
Gas Discharge Tubes with Direct Current

08/826,378, Socket and Ballast for a Gas Discharge Lamp

08/885,027, Light Switch Cover Plate with Audio Recording
and Playback Feature

SECURITY AGREEMENT AND FINANCING STATEMENT

THIS SECURITY AGREEMENT AND FINANCING STATEMENT (this "*Agreement*") dated as of November 13, 1998, is by and between Logic Laboratories, Inc. a Delaware corporation (the "*Debtor*"), and Horace T. Ardinger, Jr. (the "*Secured Party*").

RECITALS:

A. Elgin Technologies, Inc. (the "*Borrower*") and Secured Party have entered into that certain Secured Revolving Credit Agreement dated as of November 13, 1998 (herein, as the same may be amended, modified, supplemented, extended, rearranged, and/or restated from time to time, collectively called the "*Credit Agreement*"), pursuant to which, upon the terms and conditions therein set forth, the Lender has agreed to from time to time make Loans to the Borrower, which Loans are evidenced by a Convertible Revolving Promissory Note of the Borrower dated November 13, 1998, in the aggregate original principal amount of \$4,000,000, payable to the order of the Lender (as the same may be amended, modified, supplemented, extended, rearranged, and/or restated from time to time, together with any notes given by the Borrower in extension, replacement, rearrangement, modification and/or substitution thereof or therefor, collectively called the "*Note*").

B. Under the terms of the Credit Agreement, the Debtor is required by the Lender to provide certain security in respect of the liabilities under the Credit Agreement, and the Lender require that this Agreement be entered into by the Debtor as a condition precedent to the Loans to be made pursuant to the terms and conditions of the Credit Agreement.

C. As a condition precedent to the making of the Loans under the Credit Agreement, the Debtor is required to execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions.

1.1 Unless otherwise defined herein, capitalized terms have the same meaning assigned to such terms in the Credit Agreement.

1.2 "*UCC*" means the Uniform Commercial Code as in effect on the date hereof in the State of Texas; *provided that* if by mandatory provisions of law the perfection or the effect of perfection or non-perfection of the security interests granted pursuant to Section 2, as well as all other security interests created or assigned as additional security for the Obligations (defined hereinafter) pursuant to the provisions of this Agreement in any Collateral (defined hereinafter)

is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Texas, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

Section 2. Security Interest.

2.1 Grant of Security Interest. Subject to the terms of this Agreement and to secure the Obligations, the Debtor hereby pledges, assigns grants, conveys and transfers to the Secured Party a security interest in all of the Debtor's right, title and interest in, to and under the following (but excluding any Excluded Items as hereinafter defined):

(a) all equipment, goods and inventory (each term as defined in the UCC), and (whether or not included in such definitions) all tangible personal property, now owned or hereafter acquired by the Debtor, including, without limitation, (i) all research, storage or office equipment, computer hardware and software, machinery, chattels, tools, parts, machine tools, furniture, furnishings, fixtures and supplies, of every nature, wherever located, and (ii) all additions, accessories and improvements to any equipment and all substitutions therefor and all accessories, parts and equipment which may be attached to or which are necessary for the operation and use of any equipment, personal property or fixtures, together with all accessions thereto;

(b) all accounts (as defined in the UCC) and accounts receivable now owned or hereafter acquired by the Debtor;

(c) all rights of the Debtor under or arising out of present or future leases or contracts relating to any equipment;

(d) all rights of the Debtor in, to and under all patents and patent applications, including, without limitation, the patents and patent applications listed on the attached Schedule I, trademarks, tradenames, copyrights, techniques, processes, formulas, know-how or other intellectual property, and licenses thereof;

(e) all rights of the Debtor in, to and under all permits, authorizations, approvals, registrations, licenses, approvals, certificates of convenience or necessity, franchises, immunities, easements, consents, grants, ordinances or other rights granted by any governmental authority;

(f) all rights of the Debtor in and to all books, records, writings, databases (electronic or otherwise), information and other property relating to, used or useful in connection with, or evidencing, embodying, incorporating or referring to, any of the foregoing;

(g) all rights of the Debtor in, to or under (i) all sales orders, sales contracts, purchase orders, purchase contracts, operating agreements, management agreements, service agreements, development agreements, consulting agreements and leases, and (ii) all other contract rights, general intangibles (as defined in the UCC) and, to the extent they can lawfully be conveyed or assigned, under express or implied warranties from providers of goods or services;

(h) all rights of the Debtor in, to and under all products, accessions, rents, issues, profits, returns, income and proceeds of any and all Collateral and, to the extent not otherwise included, all rights of the Debtor in, to and under all payments under insurance or any indemnity, warranty or guaranty payable by reason of any loss or damage to any Collateral or otherwise with respect to any of the Collateral; and

(i) all rights of the Debtor in, to and under all moneys and securities deposited with the Secured Party pursuant to any term of this Agreement or any other Credit Document to be held by the Secured Party hereunder or thereunder (collectively "*Cash Collateral*").

All of the foregoing property, whether now owned or hereafter acquired, other than the Excluded Items, is hereinafter collectively referred to as the "*Collateral*"; Collateral described in clauses (h) and (i) may be referred to herein as "*Collateral Proceeds*"). To have and to hold all and singular the Collateral by the Secured Party, its successors and assigns, in trust for the benefit and security of the Secured Party and for the uses and purposes, and subject to the terms and provisions, set forth in this Agreement and in the Credit Agreement. Any term of this Agreement to the contrary notwithstanding, the Collateral does not include any of the Excluded Items. The term "*Excluded Items*" means and includes all properties or assets described above, whether now owned or hereafter acquired by the Debtor, which by their terms or by reason of applicable law would become void or voidable if a security interest therein were granted hereunder by the Debtor or which cannot be granted, conveyed, mortgaged, transferred or assigned by this Agreement or in which a security interest cannot effectively be granted hereunder.

2.2 Obligations. The Collateral shall secure the following obligations, indebtedness and liabilities (all such obligations, indebtedness and liabilities being hereinafter sometimes called the "*Obligations*"):

- (a) the payment of the indebtedness evidenced by the Note;
- (b) all obligations of the Borrower to the Lender under the Credit Agreement;
- (c) the performance and payment of the obligations of the Borrower and the Guarantors under any of the Credit Documents, including, without limitation, the performance and payment of the Debtor's obligations hereunder;

- (d) all other Indebtedness of the Borrower, the Debtor or any of their Subsidiaries to Secured Party in any manner, whether primarily or secondarily, absolutely or contingently, directly or indirectly, jointly, severally or jointly and severally, and whether matured or unmatured, including, without limitation, all interest, costs, disbursements, indemnification amounts, fees, expenses and all indebtedness arising directly out of transactions between any of such parties and Secured Party or acquired by Secured Party outright, conditionally or as collateral security from another person or entity; and
- (e) all extensions, renewals, rearrangements and modifications of any of the foregoing.

Section 3. Representations and Warranties. The Debtor represents and warrants to the Secured Party as follows:

3.1 Title. The Debtor owns or, with respect to Collateral acquired after the date hereof, the Debtor will own, legally and beneficially, the Collateral free and clear of any Lien, security interest, pledge, claim, or other encumbrance or any right or option on the part of any third person to purchase or otherwise acquire the Collateral or any part thereof, except for the security interest granted hereunder. The Debtor has the unrestricted right to pledge the Collateral as contemplated hereby. No effective financing statement, mortgage, or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except for (i) protective filings under true leases, (ii) filings filed in favor of the Secured Party for the benefit of the Secured Party relating to this Agreement, and (iii) filings, if any, with respect to Permitted Liens.

3.2 Organization and Authority. Neither the execution, delivery or performance by the Debtor of this Agreement nor compliance by it with the terms and provisions hereof, nor the consummation of the transactions contemplated herein, will (i) contravene any applicable provision of any law, statute, rule or regulation, or any order, writ, injunction or decree of any court or governmental instrumentality; or (ii) conflict with or result in any breach of any term, covenant, condition or other provision of, or constitute a default under, or (other than pursuant to the Security Documents) result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of the Debtor under the terms of any contractual obligation to which the Debtor is a party or by which it or any of its properties or assets are bound or to which it may be subject.

3.3 Location of the Debtor. As of the date hereof, the principal place of business and chief executive office of the Debtor, and the place where the Debtor keeps its books and records, is 12 Executive Drive, Hudson, New Hampshire 03051.

3.4 Perfected Security Interest. This Agreement has been duly authorized, executed and delivered by the Debtor. This Agreement creates in favor of Secured Party a security interest

in the Collateral currently in existence, which will be perfected upon the filing of a duly executed and completed UCC-1 Financing Statement in the Office of the Secretary of State of New Hampshire, subject only to prior Permitted Liens, to the extent such security interests can be perfected by such filings pursuant to the UCC.

3.5 No Consents. No consent of, or notice to, any other Person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the grant by the Debtor of the Liens granted hereby or for the execution, delivery or performance of this Agreement by the Debtor, other than the filing of financing statements as provided in (b) above and except for such other consents, notices or filings that have been obtained or made or that as of the date hereof are not required to have been obtained or made and may be obtained or made, as the case may be, when necessary.

Section 4. Covenants. The Debtor covenants and agrees with Secured Party that:

4.1 Encumbrances. Except as permitted by the Credit Agreement, the Debtor shall not create, permit, or suffer to exist, and shall defend the Collateral against, any Lien on the Collateral except the pledge and security interest of Secured Party hereunder except for Permitted Liens, and shall defend the Debtor's rights in the Collateral and Secured Party's security interest in the Collateral against the claims of all persons and entities (other than any person or entity claiming by, through or under Secured Party or any obligee of the Obligations).

4.2 Sale of Collateral. The Debtor shall not sell, assign, or otherwise dispose of the Collateral or any part thereof except as permitted by the Credit Agreement.

4.3 Further Assurances. At any time and from time to time, upon the request of Secured Party, and at the sole expense of the Debtor, the Debtor shall promptly execute and deliver all such further instruments and documents and take such further action as Secured Party may deem reasonably necessary or desirable to preserve and perfect its security interest in the Collateral and carry out the provisions and purposes of this Agreement, including, without limitation, the execution and filing of such financing statements as Secured Party may require. A carbon, photographic, or other reproduction of this Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement and may be filed as a financing statement to the extent provided by applicable law.

4.4 Inspection Rights. Upon reasonable notice from Secured Party, the Debtor shall permit Secured Party and its representatives to examine, inspect, and copy the Debtor's books and records concerning ownership of the Collateral at any reasonable time during normal business hours and as often as Secured Party may desire.

4.5 Notification. The Debtor shall promptly after it has knowledge thereof, notify Secured Party of (i) any Lien upon or claim made or threatened against the Collateral other than

Permitted Liens, (ii) any change in its principal place of business, its chief executive office or the place where its books and records are maintained, and (iii) any change in its name, state of incorporation or organization, its type of entity or its taxpayer identification number.

4.6 Books and Records. The Debtor shall mark its books and records to reflect the security interest of Secured Party under this Agreement.

4.7 Receipt after Default. If any Collateral is received by the Debtor during the continuance of an Event of Default, the Debtor shall pay over to Secured Party all such Collateral on the day received, including the cash and checks endorsed by the Debtor evidencing the Collateral. The Debtor shall not commingle the Collateral with any other funds, proceeds or monies of the Debtor, and shall keep such proceeds separate and apart from any other funds, proceeds or monies of the Debtor and shall hold the Collateral in trust for Secured Party until same shall be paid over to Secured Party as agreed to herein.

4.8 Insurance. The Debtor shall, at its own expense, maintain insurance with respect to the Collateral as required by the Credit Agreement.

Section 5. Rights of Secured Party and Debtor.

5.1 Power of Attorney. The Debtor hereby irrevocably constitutes and appoints Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead and in the name of the Debtor or in its own name, from time to time in Secured Party's discretion during the continuance of an Event of Default and prior to the Collateral Termination Date, to take any and all action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives Secured Party the power and right on behalf of the Debtor and in its own name to do any of the following after the occurrence and during the continuance of an Event of Default and to the extent permitted by applicable laws, without notice to or the consent of the Debtor:

- (a) to demand, sue for, collect, or receive in the name of the Debtor or in its own name, any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse checks, notes, drafts, acceptances, money orders, or any other instruments for the payment of money under the Collateral;
- (b) to pay or discharge taxes, liens, security interests, or other encumbrances (other than Permitted Liens) levied or placed on or threatened against the Collateral;

- (c) (i) to direct any parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to Secured Party or as Secured Party shall direct; (ii) to receive payment of and receipt for any and all monies, claims, and other amounts due and to become due at any time in respect of or arising out of any Collateral; (iii) to sign and endorse any drafts, assignments, proxies, stock powers, verifications, notices, and other documents relating to the Collateral; (iv) to commence and prosecute any suit, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (v) to defend any suit, action, or proceeding brought against the Debtor with respect to any Collateral; (vi) to settle, compromise, or adjust any suit, action, or proceeding described in clause (v) above and, in connection therewith, to give such discharges or releases as Secured Party may deem appropriate; (vii) to exchange any of the Collateral for other property upon any merger, consolidation, reorganization, recapitalization, or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Collateral with any committee, depository, transfer agent, registrar, or other designated agency upon such terms as Secured Party may determine; (viii) to add or release any guarantor, endorser, surety, or other party to any of the Collateral or the Obligations; and (ix) to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to do, at Secured Party's option and the Debtor's expense, at any time, or from time to time, all acts and things which Secured Party deems necessary to protect, preserve, or realize upon the Collateral and Secured Party's security interest.

This power of attorney is a power coupled with an interest and shall be irrevocable. Secured Party shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges, and options expressly or implicitly granted to Secured Party in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. Secured Party shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or in its capacity as attorney-in-fact except acts or omissions constituting or resulting from its willful misconduct or gross negligence. This power of attorney is conferred on Secured Party solely to protect, preserve, and realize upon its security interest in the Collateral.

5.2 Performance by Secured Party of the Debtor's Obligations. If an Event of Default has occurred and is continuing or if the Debtor fails to perform or comply with any of its agreements contained herein and Secured Party itself shall cause performance of or compliance with such agreement, the reasonable expenses of Secured Party, together with interest thereon at the rate of interest provided in the Credit Agreement, shall be payable by the Debtor to Secured Party on demand and shall constitute Obligations secured by this Agreement.

5.3 Secured Party's Duty of Care. Other than the exercise of reasonable care in the physical custody of the Collateral while held by Secured Party hereunder, Secured Party shall have no responsibility for or obligation or duty with respect to all or any part of the Collateral or any matter or proceeding arising out of or relating thereto, including, without limitation, any obligation or duty to collect any sums due in respect thereof or to protect or preserve any rights against prior parties or any other rights pertaining thereto, it being understood and agreed that the Debtor shall be responsible for preservation of all rights in the Collateral. Without limiting the generality of the foregoing, Secured Party shall be conclusively deemed to have exercised reasonable care in the custody of the Collateral if Secured Party takes such action, for purposes of preserving rights in the Collateral, as the Debtor may reasonably request in writing, but no failure or omission or delay by Secured Party in complying with any such request by the Debtor, and no refusal by Secured Party to comply with any such request by the Debtor, shall of itself be deemed to be a failure to exercise reasonable care.

5.4 Rights of Debtor; Debtor Remains Liable.

(a) Any term of this Agreement to the contrary notwithstanding, until written notice shall be given to the Debtor that the Secured Party is exercising its rights under this Section 5, the Debtor shall have the right, subject to the prohibitions contained in the Credit Agreement to possess, retain, enjoy and use the Collateral, to give consents, waivers or notifications with respect to the Collateral, to exercise its rights, powers and privileges under the Collateral, to agree to any modification of any of the terms of the Collateral, to dispose of any of the Collateral (it being agreed that the Lien of this Agreement shall attach to the proceeds thereof), and otherwise to act with respect to the Collateral in the ordinary course of business, in each case other than with respect to any Cash Collateral held by the Secured Party.

(b) Anything herein to the contrary notwithstanding, (i) the Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein (and subject to any defenses thereto), to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Secured Party of any of the rights hereunder shall not release any Debtor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (iii) the Secured Party shall not have any obligation or liability under the contracts and agreements included in the Collateral solely by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder, in each case, solely by reason of this Agreement.

Section 6. Events of Default and Remedies.

6.1 Events of Default. The Debtor shall be in default under this Agreement upon the occurrence of and during the continuation of any of the events or conditions defined as Events of Default in the Credit Agreement (an "*Event of Default*").

6.2 Rights and Remedies. Prior to the Collateral Termination Date, upon the occurrence of an Event of Default and so long as the same shall be continuing, Secured Party shall have the following rights and remedies to the extent not prohibited by applicable laws:

- (a) In addition to all other rights and remedies granted to Secured Party in this Agreement and in any other instrument or agreement securing, evidencing, or relating to the Obligations, Secured Party shall have all of the rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Secured Party may (i) without demand or notice to the Debtor, collect, receive, or take possession of the Collateral or any part thereof, (ii) sell or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at Secured Party's offices or elsewhere, for cash, on credit, or for future delivery without assumption of any credit risk, and/or (iii) bid and become a purchaser at any such sale free of any right or equity of redemption in the Debtor, which right or equity is hereby expressly waived and released by the Debtor. Upon the request of Secured Party, the Debtor shall assemble the Collateral and make it available to Secured Party at any place designated by Secured Party that is reasonably convenient to the Debtor and Secured Party. The Debtor agrees that Secured Party shall not be obligated to give more than ten (10) days' prior written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. The Debtor shall be liable for all reasonable expenses of retaking, holding, preparing for sale, or the like, and all reasonable attorneys' fees and other reasonable expenses incurred by Secured Party in connection with the collection of the Obligations and the enforcement of Secured Party's rights under this Agreement, in each case during the continuance of an Event of Default, all of which expenses and fees shall constitute additional Obligations secured by this Agreement. Secured Party may apply the Collateral against the Obligations then due and payable in such order and manner as it shall elect in its sole discretion. The Debtor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay the Obligations. The Debtor waives all rights of marshaling in respect of the Collateral.
- (b) Secured Party may cause any or all of the Collateral held by it to be transferred into the name of Secured Party or the name or names of Secured Party's nominee or nominees (in each case as pledgee hereunder).

6.3 INDEMNITY. THE DEBTOR AGREES TO INDEMNIFY AND SAVE AND HOLD SECURED PARTY HARMLESS FROM AND AGAINST ANY CLAIM OF ANY THIRD PERSON TO ANY COLLATERAL AND ANY CLAIM BY ANY OTHER PARTY OR ENTITY ARISING (INCLUDING, WITHOUT LIMITATION, A BANKRUPTCY

TRUSTEE OR THE ISSUER OF THE OPTION SHARES), DIRECTLY OR INDIRECTLY, AS A RESULT OF SECURED PARTY'S ENTERING INTO THIS AGREEMENT AND/OR PURSUING ANY OF ITS RIGHTS AND REMEDIES HEREUNDER, *PROVIDED THAT* THE DEBTOR SHALL HAVE NO OBLIGATION UNDER THIS PROVISION TO SECURED PARTY WITH RESPECT TO LIABILITIES OF OR CLAIMS AGAINST SECURED PARTY THAT ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NON-APPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SECURED PARTY.

Section 7. Miscellaneous.

7.1 No Waiver; Cumulative Remedies. No failure on the part of Secured Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. To the fullest extent permitted by applicable laws, the rights and remedies provided for in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

7.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Debtor and Secured Party and their respective heirs, successors, and assigns, except that the Debtor may not assign any of its rights or obligations under this Agreement without the prior written consent of Secured Party except to the extent permitted by the Credit Agreement.

7.3 Notices. Any notice, consent, or other communication required or permitted to be given under this Agreement to Secured Party or the Debtor must be in writing and delivered in person or by facsimile or by registered or certified mail, return receipt requested, postage prepaid, as follows:

To Secured Party: Horace T. Ardinger, Jr.
9040 Governor's Row
P.O. Box 569360
Dallas, Texas 75356-9360
Telephone: (214) 631-9830
Fax No.: (214) 634-1270

with a copy to:

Gardere Wynne Sewell & Riggs, L.L.P.
Attention: Douglas Adkins
1601 Elm Street, Suite 3000
Dallas, Texas 75201-4761
Telephone: (214)999-4846
Fax No.: (214)999-4667

To the Debtor: Logic Laboratories, Inc.
Attention: Mr. William Mosconi
12 Executive Drive
Hudson, NH 03051
Telephone: (603) 598-4700
Fax No.: (603) 598-8814

with a copy to:

Lev, Berlin & Dale, P.C.
Attention: Duane Berlin
535 Connecticut Avenue
Norwalk, CT 06854
Telephone: (203) 838-8500
Fax No.: (203) 854-1652

Any such notice, consent, or other communication shall be deemed given when delivered in person, sent by confirmed fax or, if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested.

7.4 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial; Arbitration.

(a) This Agreement and the other Credit Documents, and the rights and duties of the parties thereto, shall be construed in accordance with and governed by the internal laws of the State of Texas.

(b) THE DEBTOR AND SECURED PARTY EACH HEREBY WAIVES ITS RIGHT TO RESOLVE DISPUTES, CLAIMS, AND CONTROVERSIES ARISING FROM THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT OR ANY MATTER IN CONNECTION THEREWITH, INCLUDING, WITHOUT LIMITATION, CONTRACT DISPUTES AND TORT CLAIMS, THROUGH ANY COURT PROCEEDING OR LITIGATION AND ACKNOWLEDGES THAT ALL SUCH DISPUTES, CLAIMS AND CONTROVERSIES SHALL BE RESOLVED PURSUANT TO THIS SECTION, EXCEPT THAT EQUITABLE RELIEF AND CERTAIN OTHER RIGHTS AND REMEDIES SET FORTH BELOW MAY BE SOUGHT FROM ANY COURT OF COMPETENT

JURISDICTION. THE DEBTOR REPRESENTS TO SECURED PARTY AND SECURED PARTY REPRESENTS TO THE DEBTOR THAT THIS WAIVER IS MADE KNOWINGLY AND VOLUNTARILY AFTER CONSULTATION WITH AND UPON ADVICE OF ITS COUNSEL AND IS A MATERIAL PART OF THIS AGREEMENT. ALL SUCH DISPUTES, CLAIMS AND CONTROVERSIES SHALL BE RESOLVED BY BINDING ARBITRATION PURSUANT TO THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). Any arbitration proceeding held pursuant to this arbitration provision shall be conducted in Dallas, Texas or at any other place selected by mutual agreement of Secured Party and the Debtor. No act to take or dispose of any collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This arbitration provision shall not limit the right of either party during any dispute, claim or controversy to seek, use, and employ ancillary, or preliminary rights and/or remedies, judicial or otherwise, for the purposes of realizing upon, preserving, protecting, foreclosing upon or proceeding under forcible entry and detainer for possession of, any real or personal property, and any such action shall not be deemed an election of remedies. Such remedies include, without limitation, obtaining injunctive relief or a temporary restraining order, invoking a power of sale under any deed of trust or mortgage, obtaining a writ of attachment or imposition of a receivership, or exercising any rights relating to personal property, including exercising the right of set-off, or taking or disposing of such property with or without judicial process pursuant to the Uniform Commercial Code. Any disputes, claims or controversies concerning the lawfulness or reasonableness of an act, or exercise of any right or remedy concerning any collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral, shall also be arbitrated; *provided, however* that no arbitrator shall have the right or the power to enjoin or restrain any act of either party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. The statute of limitations, estoppel, waiver, laches and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of any action for these purposes. The federal arbitration act (Title 9 of the United States Code) shall apply to the construction, interpretation, and enforcement of this arbitration provision.

(c) To the fullest extent permitted by applicable law, each party hereto agrees that any court proceeding or litigation permitted by Section 7.4(b) may be brought and maintained in the courts of the State of Texas sitting in Dallas County or the United States District Court for the Northern District of Texas. To the fullest extent permitted by applicable law, the Debtor hereby expressly and irrevocably submits to the jurisdiction of the courts of the State of Texas and the United States District Court for the Northern District of Texas for the purpose of any such litigation as set forth above and irrevocably agrees to be bound by any judgment rendered thereby in connection with such litigation. To the fullest extent permitted by applicable law, the Debtor further irrevocably consents to the service of process, by registered mail, postage prepaid, or by personal service within or without the state of Texas. To the fullest extent permitted by applicable law, the Debtor hereby expressly and irrevocably waives any objection which it may have or

hereafter may have to the laying of venue of any such litigation brought in any such court referred to above and any claim that any such litigation has been brought in an inconvenient forum. To the extent that the Debtor has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution or otherwise) with respect to itself or its property, the Debtor hereby irrevocably waives to the fullest extent permitted by applicable law, such immunity in respect of its obligations under this Agreement and the other Credit Documents.

(d) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY (BY THEIR ACCEPTANCE HEREOF) WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING PERMITTED BY SECTION 7.4(B) AND WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT, ANY OTHER RELATED DOCUMENT OR ANY RELATIONSHIP BETWEEN THE LENDER, THE DEBTOR AND/OR ANY GUARANTOR, AND AGREES THAT ANY SUCH ACTION, PROCEEDING OR DISPUTE SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE LENDER TO PROVIDE THE LOANS.

7.5 Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

7.6 Survival of Representations and Warranties. All representations and warranties made in this Agreement or in any certificate delivered pursuant hereto shall survive the execution and delivery of this Agreement, and no investigation by Secured Party shall affect the representations and warranties or the right of Secured Party to rely upon them.

7.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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

7.9 Construction. The Debtor and Secured Party acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review

this Agreement with its legal counsel and that this Agreement shall be construed as if jointly drafted by the Debtor and Secured Party.

7.10 Obligations Absolute. The obligations of the Debtor under this Agreement shall be absolute and unconditional and shall not be released, discharged, reduced, or in any way impaired by any circumstance whatsoever, including, without limitation, any amendment, modification, extension, or renewal of this Agreement, the Obligations, or any document or instrument evidencing, securing, or otherwise relating to the Obligations, or any release, subordination, or impairment of collateral, or any waiver, consent, extension, indulgence, compromise, settlement, or other action or inaction in respect of this Agreement, the Obligations, or any document or instrument evidencing, securing, or otherwise relating to the Obligations, or any exercise or failure to exercise any right, remedy, power, or privilege in respect of the Obligations.

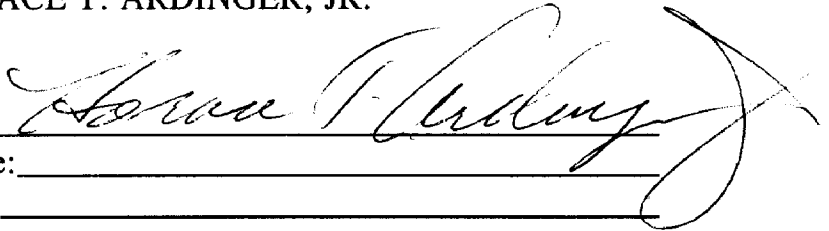
7.11 Termination. On the Collateral Termination Date, the Liens created hereby shall terminate, and Secured Party, at the request and expense of the Debtor, forthwith will execute and deliver to the Debtor a proper instrument or instruments acknowledging the satisfaction and termination of the Liens created hereby and will duly assign, transfer and deliver to the Debtor (without recourse and without any representation or warranty), such of the Collateral as may be in the possession of the Lender and as has not theretofore been sold or otherwise applied pursuant to this Agreement or the Credit Agreement. Upon such release and redelivery, this Agreement shall terminate. The term "*Collateral Termination Date*" shall mean the first date on which the Note is not outstanding under the Credit Agreement, the Revolving Commitment has been permanently terminated, no other Obligation is due and payable under the Credit Agreement or under any other Credit Document, no other Indebtedness of the Borrower, the Debtor or any of their Subsidiaries is due and payable to Secured Party and any other commitments of Secured Party to the Borrower, the Debtor or any of their Subsidiaries have been permanently terminated.

7.12 AMENDMENT; ENTIRE AGREEMENT. THIS AGREEMENT, TOGETHER WITH THE OTHER CREDIT DOCUMENTS, EMBODIES THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THE PROVISIONS OF THIS AGREEMENT MAY BE AMENDED OR WAIVED ONLY BY AN INSTRUMENT IN WRITING SIGNED BY THE PARTIES HERETO.

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


SECURED PARTY:

HORACE T. ARDINGER, JR.

By: 
Name: _____
Title: _____

DEBTOR:

LOGIC LABORATORIES, INC., a Delaware corporation

By: 
Name: Rosconi
Title: President

SCHEDULE I

1. U.S. Patent 5,485,057, entitled Gas Discharge Lamp and Power Distribution System. Filed September 2, 1993, issued January 16, 1996.
2. U.S. Patent Application Serial No. 08/496,623, entitled Gas Discharge Lamp and Power Distribution System. Filed June 29, 1995, a division of U.S. patent application Serial No. 08/116,150 (to be issued as U.S. patent 5,485,057 as above).
3. U.S. Patent 5,654,609 entitled Gas Discharge Lamp and Power Distribution System. Issued August 5, 1997.
4. U.S. Patent Application Serial No. 08/520,881, entitled Socket and Ballast for a Gas Discharge Lamp. Filed August 30, 1995.
5. U.S. Patent Application Serial No. 08/656,687, entitled Improved Dynamic Range Dimmer for Gas Discharge Lamps. Filed May 31, 1996.
6. U.S. Patent Application Serial No. 08/845,924, entitled Method and Apparatus for Starting and Operating Gas Discharge Tubes with Direct Current, filed May 8, 1998.
7. U.S. Patent Application in preparation, entitled Method of Dimming Gas Discharge Tubes by Means of Varying D.C. Voltage.
8. U.S. Patent Application No. 08/826,378, entitled Socket and Ballast for a Gas Discharge Lamp.
9. U.S. Patent Application No. 08/885,027, entitled Light Switch Cover Plate with Audio Recording and Playback Feature, filed June 30, 1997.
10. PCT Patent Application No. 94US9955, filed March 9, 1995.
11. Australia Patent Application No. 9477947, filed March 22, 1995.
12. Europe Patent Application No. 94928556, filed December 11, 1996.
13. Any and all Letters Patent which may be granted therefore in the United States, its territorial possessions or any other patent registry worldwide, and in and to any and all continuations-in-part, continuations, divisions, substitutes, reissues, extensions thereof, and all other applications for Letters Patent relating thereto which have been or shall be filed in the United States, its territorial possessions or any other patent registry worldwide.