

03-28-2005



ET Patents Only

3/23/05 ASSIGNMENT REC

102968171

Attorney Dkt. No.: 201051-075

To the Director of the Patent and Trademark Office:
Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Aurora Lighting, Inc.

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

3. Nature of conveyance:

- ☐ Assignment
☐ Merger
☒ Security Agreement
☐ Change of Name
☐ Other

Execution Date: October 12, 2004

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

James F. Scothorn
1225 Osprey Lane
Knoxville, TN 37922

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

OFFICE OF PUBLIC RECORDS
2005 MAR 23 PM 5:43
FINANCE SECTION

4. Application No. 10/145,420

Patent No.

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

Additional numbers attached? Yes ☒ No ☐

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

H. Warren Sanger, Esq.
Bass, Berry & Sims PLC
900 South Gay Street, Suite 1700
Knoxville, Tennessee 37902

6. Total number of applications and patents involved:

2

7. Total fee (37 CFR 3.41) \$120.00

- ☐ Enclosed
☒ Authorized to be charged to deposit account

8. Deposit account number: 502483, 4995

DO NOT USE THIS SPACE

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.*

H. Warren Sanger
Name of Person Signing: **H. Warren Sanger**
Reg. No.

3-7-05
Date

Total number of pages including cover sheet, attachments, and document: 14

03/25/2005 6TON11 00000117 502483 10145420

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PATENT
REEL: 016768 FRAME: 0784

SCHEDULE A**Applications**

Application No.	Title
10/713,290	Electronic Ballast With Programmable Processor

**PATENT AND LICENSE
SECURITY AGREEMENT**

THIS PATENT AND LICENSE SECURITY AGREEMENT ("Agreement"), dated as of October 12, 2004, made and executed by AURORA LIGHTING, INC., a corporation duly organized and validly existing under the laws of the State of Tennessee (the "Grantor"), in favor of James F. Scothorn, an individual resident of Knoxville, Tennessee (the "Beneficiary");

RECITALS:

WHEREAS, pursuant to that certain PROMISSORY NOTE of even date herewith, attached hereto on Schedule A, made by the Grantor as Borrower in favor of the Beneficiary (the "Note"), the Beneficiary has agreed to loan the Grantor \$27,500.00 (the "Loan") together with the interest thereon at the rate of 6.25%; and

WHEREAS, as a condition to the Loan, the Grantor has agreed to grant in favor of the Beneficiary a valid second priority security interest in the Collateral (as defined herein) to secure the payment of the Obligations (as defined herein); and

WHEREAS, the Grantor is the owner of certain Patents and Licenses listed on Schedule B hereto; and

WHEREAS, the Grantor desires to execute this Agreement to satisfy the condition described in the preceding paragraphs.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor hereby agrees with the Beneficiary, as follows:

1. Defined Terms. Unless otherwise defined herein, terms which are defined in the Note and used herein are so used as so defined, and the following terms shall have the following meanings:

"Agreement" means this Patent and License Security Agreement, as amended, supplemented or otherwise modified from time to time.

"Collateral" has the meaning assigned to it in Section 2 of this Agreement.

"Event of Default" shall mean the occurrence of a default under, or the failure by the Grantor to comply with its obligations under, the Note, or any other documents now or hereafter evidencing and/or securing the indebtedness of the Grantor to the Beneficiary.

"Obligation(s)" means (a) the full and prompt payment and performance of any and all indebtednesses and obligations of the Grantor to the Beneficiary in connection with the Loan, including specifically the Obligations evidenced by the Note as described therein, (b) the full and prompt payment and performance of any and all other indebtednesses and other

obligations of the Grantor to the Beneficiary, direct or contingent (including but not limited to obligations incurred as indorser, guarantor or surety), however evidenced or denominated, and however and whenever incurred, including but not limited to indebtednesses incurred pursuant to any present or future commitment of the Beneficiary to the Grantor, and (c) all future advances made by the Beneficiary for taxes, levies, insurance and preservation of the Collateral and all attorney's fees, court costs and expenses of whatever kind incident to the collection of any of said indebtedness or other obligations and the enforcement and protection of the security interest created hereby.

"Patents" means all types of exclusionary or protective rights granted (or applications therefor) for inventions in any country of the world (including, without limitation, letters patent, plant patents, utility models, breeders' right certificates, inventor's certificates and the like), and all reissues and extensions thereof and all divisions, continuations and continuations-in-part thereof, including, without limitation, all such rights referred to in Schedule B hereto.

"Patent License" means all agreements material to the operation of the Grantor's businesses, whether written or oral, providing for the grant by or to the Grantor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, any thereof referred to in Schedule B hereto.

"Proceeds" means "proceeds," as such term is defined in Section 9-306(1) of the UCC and, to the extent not included in such definition, shall include, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty, guaranty or letter of credit payable to the Grantor, from time to time with respect to any of the Collateral, (b) all payments (in any form whatsoever) paid or payable to the Grantor from time to time in connection with any taking of all or any part of the Collateral by any governmental authority or any Person acting under color of governmental authority), (c) all judgments in favor of the Grantor in respect of the Collateral and (d) all other amounts from time to time paid or payable or received or receivable under or in connection with any of the Collateral.

"UCC" means the Uniform Commercial Code as from time to time in effect in the State of Tennessee.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligation, the Grantor hereby assigns and grants to the Beneficiary a security interest in all of the Grantor's right, title and interest in and to the following property now owned or at any time hereafter acquired by the Grantor or in which the Grantor now have or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"):

- (i) all Patents;
 - (ii) all Patent Licenses to the extent assignable; and
 - (iii) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing;
- that are material to the business of the Grantor, and whether or not included in Schedule B.

3. Representations and Warranties Concerning Patents. The Grantor represents and warrants that Schedule B hereto includes all of the Grantor's registered and all of the Patents and Patent Licenses owned by the Grantor in its own name or as to which the Grantor has any colorable claim of ownership that are material to the businesses of the Grantor as of the date hereof. To the best of the Grantor's knowledge, each Patent is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set forth in Schedule B, none of the Patents are the subject of any licensing or franchise agreement. All licenses of the Patents are in force and, to the best knowledge of the Grantor, not in default. No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of any material Patent. No action or proceeding is pending (i) seeking to limit, cancel or question the validity of any Patent or the Grantor's ownership thereof or (ii) which, if adversely determined, would reasonably be likely to have a material adverse effect on the value of any Patent.

4. Covenants. The Grantor covenants and agrees with the Beneficiary that, from and after the date of this Agreement until the Obligations are paid in full:

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

(b) Limitation on Lien on Collateral. The Grantor will not create, incur or permit to exist, will take all commercially reasonable actions to defend the Collateral against, and will take such other commercially reasonable action as is necessary to remove, any lien or claim on or to the Collateral, other than the liens created hereby and those evidenced by that certain Patent and Security License Agreements dated as of October 12, 2004 made by the Grantor in favor of the Beneficiary, a copy of which has been filed pursuant to the UCC, and will take all commercially reasonable actions to defend the right, title and interest of the Beneficiary in and to any of the Collateral against the claims and demands of all persons whomsoever.

(c) Limitations on Dispositions of Collateral. The Grantor will not sell, transfer or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so.

(d) Notices. The Grantor will advise the Beneficiary promptly, in reasonable detail, (i) of any lien on, or claim asserted against, Patents and (ii) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the liens created hereunder.

(e) Patents.

(i) The Grantor will not, except with respect to any Patent that the Grantor shall reasonably determine is of immaterial economic value to it or otherwise reasonably determine so to do, do any act, or omit to do any act, whereby any Patent may become abandoned or dedicated.

(ii) The Grantor will promptly notify the Beneficiary if it knows, or has reason to know, that any application relating to any Patent may become abandoned or dedicated, or of any adverse determination or material development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark office or any court or tribunal in any country) regarding the Grantor's ownership of any Patent or its right to register the same or to keep and maintain the same.

(iii) Whenever the Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for any Patent with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, the Grantor shall report such filing to the Beneficiary within thirty (30) business days thereafter. Upon request of the Beneficiary, the Grantor shall execute and deliver any and all reasonably necessary agreements, instruments, documents, and papers as the Beneficiary may request to evidence the Beneficiary's security interest in any newly filed Patent and the goodwill and general intangibles of the Grantor relating thereto or represented thereby, and the Grantor hereby constitutes the Beneficiary its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligation is paid in full.

(iv) The Grantor, except with respect to any Patent the Grantor shall reasonably determine is of immaterial economic value to it or it otherwise reasonably determines not to so do, will take all reasonable and necessary steps, including, without limitation, in any proceedings before any tribunal, office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration or Patent) and to maintain each Patent, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability when appropriate.

(v) In the event the Grantor knows or has reason to know that any Patent included in the Collateral is infringed, misappropriated or diluted by a third party, the Grantor shall promptly notify the Beneficiary after it learns thereof and shall, unless the Grantor shall reasonably determine that such Patent is of immaterial economic value to the Grantor which determination the Grantor shall promptly report to the Beneficiary, promptly sue for infringement, misappropriation or dilution, or take such other actions as the Grantor shall reasonably deem appropriate under the circumstances to protect such Patent.

5. The Beneficiary's Appointment as Attorney-in-Fact.

(a) Powers. The Grantor hereby irrevocably constitutes and appoints the Beneficiary and any 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 of the Grantor and in the name of the Grantor or in its own name, from time to time after the occurrence, and during the continuation of, an Event of Default under the Note in the Beneficiary's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Grantor hereby gives the Beneficiary the power and right, on behalf of the Grantor without notice to or assent by the Grantor, to do the following:

(i) at any time when any Event of Default shall have occurred and is continuing, in the name of the Grantor or its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under, or with respect to, any Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Beneficiary for the purpose of collecting any and all such moneys due with respect to such Collateral whenever payable;

(ii) to pay or discharge taxes and liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement and to pay all or part of the premiums therefor and the costs thereof; and

(iii) (a) to direct any party liable for any payment under any of the Collateral to make payment of any and all monies due or to become due thereunder directly to the Beneficiary or as the Beneficiary shall direct, (b) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral, (c) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral, (d) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral, (e) to defend any suit, action or proceeding brought against the Grantor with respect to any Collateral, (f) to settle, compromise or adjust any suit, action or proceeding described in the preceding clause and, in connection therewith, to give such discharges or releases as the Beneficiary may deem appropriate, and (g) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Beneficiary were the absolute owner thereof for all purposes, and to do, at the Beneficiary's option and the Grantor's expense, at any time, or from time to time, all acts and things which the Beneficiary deems necessary to protect, preserve or realize upon the Collateral and the lien of the Beneficiary thereon and to effect the intent of this Agreement, all as fully and effectively as the Grantor might do.

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

(b) Other Powers. The Grantor also authorizes the Beneficiary, at any time and from time to time, to execute, in connection with the sale provided for in Section 8 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(c) No Duty on the Part of the Beneficiary. The powers conferred on the Beneficiary hereunder are solely to protect the interests of the Beneficiary in the Collateral and shall not impose any duty upon the Beneficiary to exercise any such powers. The Beneficiary shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its partners, officers, directors, employees or agents shall be responsible to the Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct or failure to comply with mandatory provisions of applicable law.

6. Performance by the Beneficiary of the Grantor's Obligations. If the Grantor fails to perform or comply with any of its agreements contained herein and the Beneficiary, as provided for by the terms of this Agreement, shall himself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of the Beneficiary incurred in connection with such performance or compliance, together with interest thereon at the highest default rate permitted by the laws of the State of Tennessee, shall be payable by the Grantor to the Beneficiary on demand and shall constitute Obligations secured hereby.

7. Proceeds. It is agreed that if an Event of Default shall occur and be continuing (a) all Proceeds received by the Grantor consisting of cash, checks and other cash equivalents shall be held by the Grantor in trust for the Beneficiary, segregated from other funds of the Grantor, and shall, forthwith upon receipt by the Grantor, be turned over to the Beneficiary in the exact form received by the Grantor (duly endorsed by the Grantor to the Beneficiary, if required), and (b) any and all such Proceeds received by the Beneficiary (whether from the Grantor or otherwise) shall promptly be applied by the Beneficiary against the Obligations (whether matured or unmatured), such application to be in such order as the Beneficiary shall determine. Any balance of such Proceeds remaining after the Obligations shall have been paid in full shall be paid over to the Grantor or to whomsoever may be lawfully entitled to receive the same.

8. Remedies. If an Event of Default shall occur and be continuing, the Beneficiary, may exercise, in addition to all other rights and remedies granted to it in this Agreement and in the Note or any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, the Beneficiary without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Grantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or, contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at the address of the Beneficiary or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or on future delivery without assumption of any credit risk. The Beneficiary shall have the right upon any such public sale or sales, and, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Grantor, which right or equity is hereby waived or released. The Grantor further agrees, at the Beneficiary's request, to assemble the Collateral and make it available to the Beneficiary at places which the Beneficiary shall reasonably select, whether at the Grantor's premises or elsewhere. The Beneficiary shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Beneficiary hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, according the amount outstanding under the Note, and only after such application and after the payment by the Beneficiary of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the UCC, need the Beneficiary account for the surplus, if any, to the Grantor. To the extent permitted by applicable law, the Grantor waives all claims, damages and demands it may acquire against the Beneficiary arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least thirty (30) days before such sale or other disposition. The Grantor shall remain liable for any deficiency if

the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Beneficiary to collect such deficiency.

9. Limitation on Duties Regarding Preservation of Collateral. The Beneficiary's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Beneficiary would deal with similar property for its own account. Neither the Beneficiary nor any of its partners, directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or otherwise.

10. Powers Coupled with an Interest. All authorizations and agencies herein Contained with respect to the Collateral are irrevocable and powers coupled with an interest.

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

12. Paragraph Headings. The paragraph headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

13. No Waiver; Cumulative Remedies. The Beneficiary shall not by any act (except by a written instrument pursuant to Section 14 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default or Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Beneficiary, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Beneficiary of any right or remedy hereunder on any occasion shall not be construed as a bar to any right or remedy which the Beneficiary would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

14. Waivers and Amendments; Successors and Assigns. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Grantor and the Beneficiary, provided that any provision of this Agreement may be waived by the Beneficiary in a written letter or agreement executed by the Beneficiary or by telex or facsimile transmission from the Beneficiary. This Agreement shall be binding upon the successors and assigns of the Grantor and shall inure to the benefit of the Beneficiary and his successors and assigns.

15. Notices. Any and all notices or other communications permitted or required to be made under this Agreement shall be in writing and shall be delivered personally or sent by facsimile transmission, mail or nationally recognized courier service (such as Federal Express) using the intended recipient's address set forth below, or such other address as may have been

supplied in writing by the intended recipient and of which receipt has been acknowledged in writing. Unless otherwise expressly provided herein, notices or other communications shall be deemed to have been duly given or made (a) upon personal delivery, (b) when sent by facsimile (confirmation of receipt received), (c) on the third (3rd) day after the date of mailing, or (d) on the day after the date of delivery to such courier service, as the case may be. Rejection, refusal to accept or inability to deliver because of a changed address of which no notice was given shall not affect the validity of any notice or other communication given in accordance with the provisions of this Agreement. For purposes of this Agreement:

The address of the Grantor is:

Aurora Lightning, Inc.
620 Campbell Station Road
Knoxville, Tennessee 37922

The address of the Beneficiary is:

James F. Scothorn
1225 Osprey Lane
Knoxville, Tennessee 37922

16. CONSENT TO JURISDICTION. THE GRANTOR HEREBY IRREVOCABLY CONSENTS TO THE PERSONAL JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN KNOX COUNTY, TENNESSEE IN ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE AGREEMENT, THE NOTES OR ANY OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. THE GRANTOR HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF A SUMMONS AND COMPLAINT AND OTHER PROCESS IN ANY ACTION, CLAIM OR PROCEEDING BROUGHT BY THE AGENT, OR ANY BENEFICIARY IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS, ON BEHALF OF ITSELF OR ITS PROPERTY, AT THE ADDRESS ABOVE. NOTHING IN THIS SECTION 16 SHALL AFFECT THE RIGHT OF THE AGENT, OR ANY BENEFICIARY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF THE AGENT, OR ANY BENEFICIARY TO BRING ANY ACTION OR PROCEEDING AGAINST THE GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTIONS.

17. WAIVER OF JURY TRIAL. THE AGENT, EACH BENEFICIARY, AND THE GRANTOR HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR ANY OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. The scope of this waiver is intended to be all-encompassing with respect to any and all disputes that may be filed in any court and that relate to the subject matter of this

transaction, including without limitation contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each of the parties hereto (1) acknowledges that this waiver is a material inducement for the parties to the Note and hereto to enter into a business relationship, that the parties to the Note and hereto have already relied on this waiver in entering into same and the transactions that are the subject thereof, and that they will continue to rely on this waiver in their related future dealings, and (2) further warrants and represents that each has reviewed this waiver with its legal counsel and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. This waiver is irrevocable, meaning that it may not be modified either orally or in writing, and this waiver shall apply to any subsequent amendments, modifications, supplements, extensions, renewals or replacements of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

18. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Tennessee applicable to contracts to be wholly performed in such State.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

GRANTOR:

AURORA LIGHTING, INC.,
a Tennessee corporation

By: 

Title: Board Director

THE-BENEFICIARY:

Name: 

James F. Scothorn

SCHEDULE A

PROMISSORY NOTE
(See Attached Note)

PROMISSORY NOTE

Principal Amount \$27,500.00

Date: October 12, 2004

FOR VALUE RECEIVED, the undersigned hereby promises to pay to the order of James F. Scothorn the sum of Twenty-Seven Thousand Five Hundred (\$27,500.00) Dollars, together with interest thereon at the rate of 6.25% per annum on the unpaid balance. Said sum shall be due and payable on April 11, 2005.

All payments shall be first applied to interest and the balance to principal. This note may be prepaid, at any time, in whole or in part, without penalty.

This note shall be at the option of the holder thereof by immediately due and payable upon the occurrence of any of the following:

1. Failure to make any payment due hereunder with fifteen (15) days of its due date.
2. Breach of any condition of any security interest, mortgage, loan agreement, pledge agreement or guarantee granted as collateral security for this note.
3. Breach of any condition of any loan agreement, security agreement or mortgage, if any, have a priority over any loan agreement, security agreement or mortgage on collateral granted, in whole or in part, as collateral security for this note.
4. Upon the death, incapacity, dissolution, or liquidation of any of the undersigned, or any endorser, guarantor to surety hereto.
5. Upon the filing by any of the undersigned of an assignment for the benefit of creditors, bankruptcy or receivership not vacated within thirty (30) days.

In the event this note shall be in default and placed for collection, then the undersigned agree to pay all reasonable attorney fees and costs of collection. Payment not made within five (5) days of due date shall be subject to a late charge of five (5) percent of said payment. All

payments hereunder shall be made to such address as may from time to time be designated by the holder.

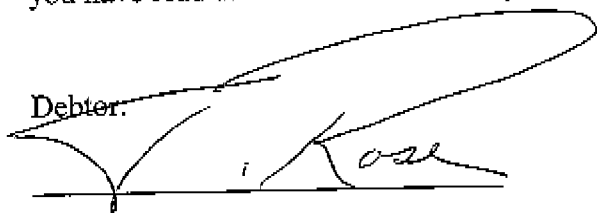
The undersigned and all other parties to this note, whether as endorsers, guarantors or sureties, agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notice hereto and further agree to remain bound notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note. No modification of this agreement shall be binding unless in writing and approved by both parties. Further any waiver or indulgence granted shall not be a waiver or indulgence for any other or future occasion.

This promissory note will be governed by and interpreted in accordance with federal law and the laws of the state of Tennessee. This Note has been accepted by holder in the state of Tennessee.

Should the court find that any provision of the Note is not valid or should not be enforced, that fact by itself will not mean that the rest of this Note will not be valid or enforced..

IN WITNESS THEREOF, by virtue of the signing of this Note, you acknowledge that you have read the document and that you accept the terms of this Note.

Debtor:



Date:

11-29-04

SCHEDULE B

<u>Title</u>	<u>Patent</u>
Electronic Ballast For Discharge Lamp	U.S. Patent Application No. 10/145,420
Electronic Ballast With Programmable Processor	U. S. Patent Application No. 10/713,290
Electronic Ballast With Programmable Processor	U.S. Patent Application No. 10713290