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To the Honorable Commissioner of Patent

102044752

See original documents or copy thereof.

Name of conveying party(ies):

Teal Electronics Corporation

3-21-02

Individual(s)

Association

General Partnership

Limited Partnership

Corporation-State CA

Other

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

Nature of conveyance:

Assignment

Merger

Security Agreement

Change of Name

Other

Execution Date: February 26, 2002

2. Name and address of receiving party(ies)

Name: GE Capital CFE, Inc.

Internal Address:

Street Address: 500 W. Monroe

City: Chicago State: IL ZIP: 60661

Individual(s) citizenship

Association

General Partnership

Limited Partnership

Corporation-State Delaware

Other

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

(Designations must be a separate document from assignment)

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,717,634

Additional numbers attached? Yes No

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

Name: Laura Konrath

Internal Address: Winston & Strawn

33rd Floor

Street Address: 35 West Wacker Drive

City: Chicago State: IL ZIP: 60601

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41) \$ 40.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

N/A

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

04/04/2002 DDYRNE 00000239 1717634

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40.00 OP

DO NOT USE THIS SPACE

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.

Laura Konrath

Name of Person Signing

Signature

3/11/02

Date

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

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") is made as of February 26, 2002, by and between SL INDUSTRIES, INC., SL DELAWARE, INC. (collectively, the "Borrowers") and their subsidiaries listed on the signature pages to this Agreement (the foregoing, together with any other entity that becomes a Debtor hereunder, individually (but jointly and severally with such other parties), a "Debtor" and collectively and jointly and severally, the "Debtors"), and GE CAPITAL CFE, INC., a Delaware corporation, as agent on behalf of the Banks (this and all other capitalized terms not defined herein shall have the meanings set forth in the Credit Agreement described below). GE Capital CFE, Inc. in its capacity as agent hereunder, together with its successors and assigns, is hereinafter referred to as "Agent".

Background

The Borrowers, Mellon Bank, N.A., as agent ("Original Agent), and the Banks have entered into a certain Second Amended and Restated Credit Agreement dated as of December 13, 2001 (as so amended and restated and as may be further amended, extended, supplemented, restated or otherwise modified or refinanced, including, without limitation, any amendment involving an increase in principal, interest rate or other amount, the "Credit Agreement"). The Guarantors wish to induce the Banks to enter into a restructuring of the existing financings as described in the Credit Agreement to enable the Borrowers to (among other things) make loans or other direct or indirect distributions and/or capital contributions to them.

The Debtors, the Original Agent and the Agent are parties to that certain Assignment and Assumption Agreement dated as the date hereof, whereby the Original Agent has assigned to the Agent, and the Agent has assumed, all of the Original Agent's rights and obligations under the Credit Agreement and the other Security Documents.

The Debtors and the Original Agent are parties to that certain Second Amended and Restated Security Agreement, dated as of December 13, 2001 (the "Existing Security Agreement"), whereby the Debtors granted a security interest in all of their personal property. The Debtors and the Agent desire to enter into this Agreement to supplement the Existing Security Agreement. Each Debtor determined that it was in its best interests and pursuant to its business purposes that it do so and that it was solvent, before and after giving effect to the transactions contemplated hereby.

Accordingly, the Agent and the Debtors, intending to be legally bound, hereby agree as follows.

1. DEFINITIONS. Unless otherwise defined herein, terms used herein shall be used as defined in the Credit Agreement.

"Collateral" shall mean all property in which the Debtors have granted a security interest to the Agent pursuant to Section 2 below.

“Event of Default” shall be used herein as defined in the Credit Agreement, but in any event shall include, but not be limited to, the following:

(i) any payment default (subject to applicable grace periods, if any) under, or any occurrence of an Event of Default as defined in the Credit Agreement, the other Loan Documents or any agreement, document or instrument incidental to or executed pursuant to any of the foregoing, or as an amendment or modification to, or in substitution for, any of the foregoing;

(ii) if any representation or warranty made by the Debtors in this Agreement, any other Loan Document or any document, certificate or statement furnished pursuant to this Agreement or in connection herewith or therewith, shall be false or misleading in any material respect; or

(iii) an occurrence of a default in the due performance or observance of any term, covenant or agreement required to be performed or observed pursuant hereto.

“General Intangibles” shall be used herein as defined in the Uniform Commercial Code but in any event shall include, but not be limited to, payment intangibles, contract rights (other than Accounts), franchises, licenses, choses in action, manufacturing and processing rights, goodwill, tax, insurance and other kinds of refunds, patents, licenses, trademarks, service marks, copyrights, trade names, other intellectual property rights or applications for intellectual property rights, plans, confidential or proprietary information, know-how, secret formulas, technical information and other rights in personal property.

“Loan Documents” shall mean the Credit Agreement, the Notes, the Guaranties, the Security Documents and all agreements and instruments delivered in connection therewith.

“Payment Intangibles” shall be used herein as defined in the Uniform Commercial Code.

“Proceeds” shall be used herein as defined in the Uniform Commercial Code but, in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance (whether or not the Agent is named as the loss payee thereof), indemnity, warranty or guaranty payable to a Debtor or the Agent from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever, cash and non-cash) made or due and payable to a Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority), (iii) any and all amounts received when Collateral is sold, leased, licensed, exchanged, collected or disposed of, (iv) any rights arising out of Collateral, and (v) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“Supporting Obligations” shall be used herein as defined in the Uniform Commercial Code but in any event shall include guarantees and letters of credit that support payment of another obligation.

“Uniform Commercial Code” shall mean the Uniform Commercial Code in effect on the date hereof and as amended from time to time, and as enacted in the Commonwealth of Pennsylvania or in any state or states which, pursuant to the Uniform Commercial Code as enacted in the Commonwealth of Pennsylvania, has jurisdiction with respect to all, or any portion of, the Collateral or this Agreement, from time to time. It is the intent of the parties that the definitions set forth above should be construed in their broadest sense so that Collateral will be construed in its broadest sense. Accordingly if there are, from time to time, proposed changes to defined terms in the Uniform Commercial Code that broaden the definitions, they are incorporated herein and if existing definitions in the Uniform Commercial Code are broader than the amended definitions, the existing ones shall be controlling. Similarly, where the phrase “as defined in the Uniform Commercial Code, but in any event shall include, but not be limited to. . .” is used above, it means as defined in the Uniform Commercial Code except that if any of the enumerated types of items specified thereafter would not fall within the Uniform Commercial Code definition, they shall nonetheless be included in the applicable definition for purposes of this Agreement.

2. **GRANT OF SECURITY INTEREST.** As security for the payment and performance of the Obligations, each Debtor hereby pledges, hypothecates, delivers and assigns to the Agent, and creates in favor of the Agent, (and confirms its existing pledge, hypothecation, delivery and assignment to the Agent, and its existing creation in favor of the Agent) for the equal (in priority) and ratable benefit of the Banks and any issuer of a letter of credit pursuant to the Loan Documents, a continuing lien on, and a security interest in and to, all of such Debtor’s right, title and interest in and to all General Intangibles, including, without limitation, all Payment Intangibles, including, without limitation, all intellectual property listed on Schedule 1 attached hereto, in each case whether now or hereafter existing and whether now owned or hereafter acquired, created or arising, and wherever located and all Proceeds of any and all of the foregoing.

3. **REPRESENTATIONS AND WARRANTIES OF THE DEBTORS.** The Debtors represent and warrant as follows. The following representations and warranties shall survive execution of this Agreement and shall not be affected or waived by any examination or inspection made by the Agent:

(a) **Status.** Each Debtor:

(i) is a duly organized and validly existing corporation or other entity in good standing under the laws of the state of its formation; has the power and authority to own its property and assets and to transact the business in which it is engaged; and has not failed to qualify to do business in any state or jurisdiction where the failure to so qualify could reasonably result in a material adverse change; and

(ii) has the power to execute, deliver and carry out the terms and provisions of this Agreement, and has taken all necessary corporate or other action (including, without limitation, any consent of stockholders required by law or by its articles of incorporation or bylaws) to authorize the execution, delivery and performance of this Agreement.

(b) Authority to Execute Agreement Binding Agreement. Each Debtor has the power to execute, deliver and perform its obligations under this Agreement (including, without limitation, the right and power to give the Agent a security interest in the Collateral) and has taken all necessary corporate and other action to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly executed by each Debtor. This Agreement constitutes the legal, valid and binding obligation of each Debtor, enforceable against each Debtor in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general application relating to or affecting the rights and remedies of creditors.

(c) Title. Except for the security interests granted hereunder, the Debtors are, as to all Collateral, including, without limitation, the intellectual property listed on Schedule 1 (which schedule lists all intellectual property which is owned by the Debtors as of the Amendment Closing Date), presently owned, and shall be as to all Collateral hereafter acquired, the owners of, or the Persons with good, marketable and indefeasible title to, and all legal right and empowerment to use and transfer the right to use, said Collateral free from any Lien other than Permitted Liens.

(d) Taxes and Assessments. All assessments and taxes, due or payable by, or imposed, levied or assessed against any Debtor or any of its property, real or personal, tangible or intangible have been paid, except as expressly permitted by the Credit Agreement.

(e) Names Used by Debtors. (i) The actual or corporate name of each Debtor is the name set forth on the signature pages hereto; (ii) the Debtors have no trade names except as set forth on Schedule 2 hereto; (iii) the Debtors have not used any names other than those set forth on the signature pages hereto or as set forth on Schedule 2 hereto for the preceding five years; and (iv) no entity has merged into any Debtor or been acquired by any Debtor within the past five years except as set forth on Schedule 2 hereto.

(f) Perfected Security Interest. This Agreement creates a valid, first priority security interest in the Collateral securing payment of the Obligations, subject only to Permitted Liens. All security interests which may be perfected by filing have been duly perfected and no action is necessary to create, perfect or protect such security interests.

Without limiting the generality of the foregoing, except for the exceptions set forth in the proceeding provisos, no consent of any third parties and no authorization, approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required for (i) the execution, delivery and performance of this Agreement, (ii) the creation or perfection of the security interest in the Collateral or (iii) the enforcement of the Agent's rights hereunder.

(g) Absence of Conflicts with Other Agreements Etc. Neither the pledge of the Collateral hereunder nor any of the provisions hereof (including, without limitation, the remedies provided hereunder) violates any of the provisions of any charter documents, by-laws or other organizational or governing documents of any Debtor, or any other agreement to which a Debtor or any of its property is a party or is subject, or any judgment, decree, order or award of

any court, governmental body or arbitrator or any applicable law, rule or regulation applicable to the same.

4. COVENANTS OF DEBTORS. The Debtors covenant that:

(a) Filing of Financing Statements and Preservation of Interests. The Debtors hereby authorize the Agent, and appoint the Agent as its attorney-in-fact, to file in such office or offices as the Agent deems necessary or desirable such financing and continuation statements and amendments and supplements thereto, and such other documents as the Agent may require to perfect, preserve and protect the security interests granted herein and ratifies all such actions taken by the Agent.

(b) Notice of Changes in Representations. The Debtors shall notify the Agent in advance of any event or condition which could cause any representations set forth in Section 3 above to fail to be true, correct and complete in any material respect.

(c) Transfer of Collateral. Other than the disposition of items of Collateral in the ordinary course of the Debtors' business as presently conducted or as otherwise permitted under the terms of the Credit Agreement, the Debtors shall not sell, assign, transfer, encumber or otherwise dispose of any Collateral without the prior written consent of the Agent and the Agent does not authorize any such disposition. For purposes of this provision, "dispose of any Collateral" shall include, without limitation, the creation of a security interest or other encumbrance (whether voluntary or involuntary) on such Collateral.

(d) Taxes and Assessments. The Debtors shall promptly pay when due and payable, all taxes and assessments imposed upon the Collateral or operations or business of the Debtors, subject to the right, if any, to contest such tax or assessment in accordance with the Credit Agreement.

(e) Defense of Agent's Rights. The Debtors warrant and will defend the Agent's right, title and security interest in and to the Collateral against the claims of any Persons.

(f) Inspection by Agent. The Debtors will permit, at their expense, representatives of the Agent to inspect, examine and audit the Collateral, any of their other property and their books and records, and to make extracts therefrom upon reasonable notice and at all reasonable times for purposes of examination, verification, inspection and appraisal thereof.

(g) Intellectual Property. The Debtors agree that they will promptly inform the Agent of any and all intellectual property filings made at the United States Patent and Trademark Office.

(h) Other Assurances. The Debtors agree that from time to time, at their expense, they will promptly execute and deliver all such further instruments and documents, and take all such further action as may be necessary, or as the Agent may reasonably request, in order to perfect, continue and protect any security interest granted or purported to be granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder and with respect to any Collateral or to otherwise carry out the purposes of this Agreement.

5. REMEDIES UPON DEFAULT. Upon the occurrence and during the continuation of an Event of Default, the Agent may exercise, in addition to any other rights and remedies provided herein, under other contracts and under law, all the rights and remedies of a secured party under the Uniform Commercial Code. Without limiting the generality of the foregoing, upon the occurrence and during the continuation of an Event of Default:

(a) at the request of the Agent, the Debtors shall, at their cost and expense, assemble the Collateral as directed by the Agent;

(b) the Agent may (but is not obligated to), without notice except as provided below, sell the Collateral at public or private sale, on such terms as the Agent deems to be commercially reasonable;

(c) if any Debtor fails to perform any agreement or condition contained in any contracts (including, without limitation, all contracts for goods or services, leases, licenses, acquisition agreements, all network affiliation, programming, advertising and similar agreements) which are part of the Collateral, the Agent may (but shall have no duty to) itself perform, or cause performance of, such agreement or condition, and the expense of the Agent incurred in connection therewith shall constitute an Obligation and shall be reimbursed by the Debtors, jointly and severally; and

(d) without limiting the generality of the foregoing, the Agent shall have the right (but not the obligation) to notify third parties to any or all contracts with the Debtors (i) that an assignment of the applicable Debtors rights and obligations under such agreements has been made to such Persons as the Agent may designate and/or (ii) to make payments thereunder directly to the Agent or its designee.

The Debtors agree that ten (10) days notice of any sale referred to in clause (b) above shall constitute sufficient notice. The Agent may purchase Collateral at any such sale. The Debtors shall be liable to the Agent for any deficiency amount.

The Agent may comply with any applicable law in connection with a disposition of Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. The Agent may sell the Collateral without giving any warranties and may specifically disclaim such warranties. If the Agent sells any of the Collateral on credit, the Debtors will only be credited with payments actually made by the purchaser. The powers conferred on the Agent under this Agreement are solely to protect the interest of the Agent and the Banks in the Collateral and shall not impose any duty upon the Agent or any other Bank to exercise any such powers.

6. OBLIGATIONS ABSOLUTE.

(a) Change of Circumstance. THE RIGHTS OF THE AGENT AND THE OBLIGATIONS OF THE DEBTORS HEREUNDER SHALL BE ABSOLUTE AND UNCONDITIONAL, SHALL NOT BE SUBJECT TO ANY COUNTERCLAIM, SETOFF, RECOUPMENT OR DEFENSE BASED UPON ANY CLAIM THAT THE DEBTORS OR ANY OTHER PERSON MAY HAVE AGAINST EACH OTHER AND SHALL REMAIN IN FULL FORCE AND EFFECT WITHOUT REGARD TO AND, EXCEPT BY FULL AND

INDEFEASIBLE SATISFACTION OF THE OBLIGATIONS AFTER OR CONCURRENT WITH THE EXTINCTION OF ANY COMMITMENT, SHALL NOT BE RELEASED, DISCHARGED OR IN ANY WAY AFFECTED BY ANY CIRCUMSTANCE OR CONDITION (INCLUDING, WITHOUT LIMITATION, (I) ANY AMENDMENT OR MODIFICATION OF OR SUPPLEMENT TO THE CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENT (it being understood that any amendment to the Credit Agreement entered into pursuant to the terms thereof that increases or decreases the amount of the Loans or other Obligations shall serve to increase or decrease, as applicable, the amount of Obligations secured hereby); (II) ANY WAIVER, CONSENT, EXTENSION, INDULGENCE OR OTHER ACTION OR INACTION UNDER OR IN RESPECT OF ANY SUCH AGREEMENTS OR INSTRUMENTS, OR ANY EXERCISE OR NONEXERCISE OF ANY RIGHT, REMEDY, POWER OR PRIVILEGE UNDER OR IN RESPECT OF ANY SUCH AGREEMENTS OR INSTRUMENTS, OR ANY EXERCISE OR NONEXERCISE OF ANY RIGHT, REMEDY, POWER OR PRIVILEGE UNDER OR IN RESPECT OF ANY SUCH AGREEMENTS OR INSTRUMENTS; (III) ANY INVALIDITY OR UNENFORCEABILITY, IN WHOLE OR IN PART, OF ANY TERM HEREOF OR OF THE CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENT; (IV) ANY FAILURE ON THE PART OF ANY DEBTOR OR ANY OTHER PERSON FOR ANY REASON TO PERFORM OR COMPLY WITH ANY TERM OF THE CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENT; (V) ANY FURNISHING OR ACCEPTANCE OF ANY ADDITIONAL SECURITY OR GUARANTY; (VI) ANY RELEASE OF A DEBTOR OR ANY OTHER PERSON OR ANY RELEASE OF ANY OR ALL SECURITY OR ANY OR ALL GUARANTEES FOR THE OBLIGATIONS, WHETHER ANY SUCH RELEASE IS GRANTED IN CONNECTION WITH A BANKRUPTCY OR OTHERWISE; (VII) ANY BANKRUPTCY, INSOLVENCY, REORGANIZATION, ARRANGEMENT, READJUSTMENT, COMPOSITION, LIQUIDATION OR SIMILAR PROCEEDING WITH RESPECT TO ANY DEBTOR OR ANY OTHER PERSON OR THEIR RESPECTIVE PROPERTIES OR CREDITORS; (VIII) THE APPLICATION OF PAYMENTS RECEIVED BY THE AGENT FROM ANY SOURCE WHICH WERE LAWFULLY USED FOR SOME OTHER PURPOSE BUT WHICH LAWFULLY COULD HAVE BEEN APPLIED TO THE PAYMENT, IN FULL OR IN PART, OF THE OBLIGATIONS; OR (IX) ANY OTHER OCCURRENCE WHATSOEVER, WHETHER SIMILAR OR DISSIMILAR TO THE FOREGOING. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AT ANY TIME THAT THE CREDIT AGREEMENT IS AMENDED TO INCREASE THE AMOUNT OF THE OBLIGATIONS THEREUNDER, THE AMOUNT OF THE OBLIGATIONS SECURED HEREBY SHALL BE ACCORDINGLY INCREASED. THE PARTIES HERETO ACKNOWLEDGE THAT THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS MAY BE AMENDED AND THE TERMS OF THE LOANS MODIFIED AS PERMITTED THEREBY.

(b) Duty To Marshal Assets. The Agent shall have no obligation to marshal any assets in favor of the Debtors or any other Person or against or in payment of any or all of the Obligations.

(c) Waiver of Right of Subrogation, Etc. The Debtors hereby waive any and all rights of subrogation, reimbursement, or indemnity whatsoever in respect of the Debtors, or any subsidiary of a Debtor arising out of remedies exercised by the Agent hereunder.

(d) Other Waivers. The Debtors hereby waive promptness, diligence and notice of acceptance of this Agreement. In connection with any sale or other disposition of Collateral during the continuance of an Event of Default, the Debtors waive any right of redemption or equity of redemption in the Collateral. The Debtors further waive presentment and demand for payment of any of the Obligations, protest and notice of protest, dishonor and notice of dishonor or notice of default or any other notice with respect to any of the Obligations, and all other notices to which the Debtors might otherwise be entitled, except as otherwise expressly provided in this Agreement. The Agent is under no obligation to pursue any rights against third parties with respect to the Obligations and the Debtors hereby waive any right they may have to require otherwise. The Debtors (to the extent that each may lawfully do so) covenant that they shall not at any time insist upon or plead, or in any manner claim or take the benefit of, any stay, valuation, appraisal or redemption now or at any time hereafter in force that, but for this waiver, might be applicable to any sale made under any judgment, order or decree based on this Agreement; and the Debtors (to the extent that each may lawfully do so) hereby expressly waive and relinquish all benefit of any and all such laws and hereby covenant that they will not hinder, delay or impede the execution of any power in this Agreement delegated to the Agent, but that it will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

(e) THE DEBTORS' WAIVERS UNDER THIS SECTION HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY AND AFTER THE DEBTORS HAVE BEEN APPRISED AND COUNSELED BY THEIR ATTORNEYS AS TO THE NATURE THEREOF AND POSSIBLE ALTERNATIVE RIGHTS.

7. NON-WAIVER AND NON-EXCLUSIVE REMEDIES.

(a) Non-Exclusive Remedies. No remedy or right herein conferred upon, or reserved to the Agent is intended to be to the exclusion of any other remedy or right, but each and every such remedy or right shall be cumulative and shall be in addition to every other remedy or right given hereunder or under any other contract or under law.

(b) Delay and Non-Waiver. No delay or omission by the Agent to exercise any remedy or right hereunder shall impair any such remedy or right or shall be construed to be a waiver of any Event of Default, or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or of a different nature.

8. STANDARD OF CARE.

(a) In General. Without limiting any other exculpation provision in any Loan Document, no act or omission of the Agent (or agent or employee thereof) shall give rise to any defense, counterclaim or offset in favor of the Debtors or any claim or action against the Agent (or agent or employee thereof), in the absence of gross negligence or willful misconduct of the Agent. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Agent accords to collateral of other debtors it holds, it being understood that it has no duty to take any action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral or to preserve any rights of any

parties and shall only be liable for losses which are a result of its gross negligence or willful misconduct.

(b) Without limiting the generality of the foregoing, the Agent has no duty (either before or after an Event of Default) to collect any amounts in respect of the Collateral or to preserve any rights relating to the Collateral.

(c) Without limiting the generality of paragraph (a) above, the Agent has no obligation to clean-up or otherwise prepare the Collateral for sale.

(d) Reliance on Advice of Counsel. In taking any action under this Agreement, the Agent shall be entitled to rely upon the advice of counsel of Agent's choice and shall be fully protected in acting on such advice whether or not the advice rendered is ultimately determined to have been accurate.

9. MISCELLANEOUS.

(a) Assignment. Except in connection with (i) a transfer of agency in accordance with Section 8.10 of the Credit Agreement and (ii) an assignment by operation of law, the Agent may not assign or transfer this Agreement and any or all rights or obligations hereunder without the consent of the Debtors. The Debtors shall not assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of the Agent. Notwithstanding the foregoing, if there should be any assignment of any rights or obligations by operation of law or in contravention of the terms of this Agreement or otherwise, then all covenants, agreements, representations and warranties made herein or pursuant hereto by or on behalf of any Debtor shall bind the successors and assigns of such Debtor, together with the preexisting Debtor, whether or not such new or additional Persons execute a joinder hereto or assumption hereof.

(b) Benefit. The rights and privileges of the Agent under this Agreement shall inure to the benefit of its successors, assigns and participants. All promises, covenants and agreements of the Debtors contained in this Agreement shall be binding upon personal representatives, heirs, successors and assigns of the Debtors.

(c) Notices. Any notice contemplated herein or required or permitted to be given hereunder shall be made in the manner set forth in the Credit Agreement and delivered at the addresses set forth on the signature pages to this Agreement, or to such other address as any party hereto may have last specified by written notice to the other party or parties.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(e) Severability. If any of the provisions or terms of this Agreement shall for any reason be held to be invalid or unenforceable such invalidity or unenforceability shall not affect any of the other terms hereof, but this Agreement shall be construed as if such invalid or unenforceable term had never been contained herein. Any such invalidity or unenforceability in a particular jurisdiction shall not be deemed to render a provision invalid or unenforceable in any other jurisdiction.

(f) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one instrument. Delivery of a photocopy or telecopy of an executed counterpart of a signature page to this Agreement shall be as effective as delivery of a manually executed counterpart of such signature page.

(g) Costs and Expenses. Whether or not the transactions contemplated by this Agreement are fully consummated, the Borrowers shall promptly pay (or reimburse, as the Agent may elect) all reasonable costs and expenses which the Agent has incurred or may incur in connection with the negotiation, preparation, reproduction, interpretation, administration and enforcement of this Agreement and all amendments, waivers, modifications and supplements hereto, the perfection and protection of the Collateral, and the collection of all amounts due hereunder.

(h) Indemnification. Without limiting any other indemnification provision in any Loan Document, the Debtors shall indemnify, reimburse and hold harmless all Indemnitees from and against any and all losses, claims, liabilities, damages, penalties, suits, costs and expenses, of any kind or nature, (including, without limitation, fees relating to the cost of investigating and defending any of the foregoing) imposed on, incurred by or asserted against such indemnified person in any way related to or arising from or alleged to arise from this Agreement or the use or possession of the Collateral or any part thereof excluding any such losses, claims, liabilities, damages, penalties, suits, costs and expenses which result from the gross negligence or willful misconduct of such indemnitees. The obligations under this section shall survive termination of this Agreement. A certification by the Agent of the amount of losses, costs, expenses, claims and/or charges payable pursuant to this paragraph (h) shall be conclusive, absent manifest error.

(i) This Agreement and the other Loan Documents represent the entire agreement between the parties hereto with respect to the transactions contemplated hereunder and, except as expressly provided herein, shall not be affected by reference to any other documents. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but such may be accomplished only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

10. SPECIFIC PERFORMANCE. The Debtors hereby authorize the Agent to demand specific performance of this Agreement at any time when any Debtor shall have failed to comply with any material provision hereof, and the Debtors hereby irrevocably waive any defense based on the adequacy of a remedy at law which might be asserted as a bar to the remedy of specific performance hereof in any action brought therefor.

11. RELATIONSHIP WITH CREDIT AGREEMENT AND EXISTING SECURITY AGREEMENT. If any of the terms hereof are inconsistent with those of the Credit Agreement or the Existing Security Agreement, those of the Credit Agreement or the Existing Security Agreement, as applicable, shall control.

12. TERMINATION; PARTIAL RELEASE.

(a) At such time as (i) the Banks have no Commitment to make further fundings to the Borrowers under the terms of the Credit Agreement and (ii) all the Obligations have been indefeasibly paid and/or performed in full, then the security provided for herein shall immediately terminate, provided, however, that (i) all indemnities of the Borrowers contained in this Agreement or any Loan Document shall survive and remain operative and in full force and effect regardless of the termination of this Agreement, and (ii) the security provided for herein shall be reinstated if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Banks upon the insolvency, bankruptcy or reorganization of the Borrowers or otherwise, all as though such payment had not been made.

(b) Effective upon the closing of a disposition of any Collateral in conformity with the provisions of the Credit Agreement, and receipt by the Agent of a certification to such effect from an authorized officer of the Borrowers, the security interest in the Collateral so disposed of shall terminate, provided, however, the security interest in all remaining Collateral shall remain in full force and effect.

13. JURISDICTION; WAIVER OF JURY TRIAL. For the purpose of any action that may be brought in connection with this Agreement, the each of the Debtors hereby unconditionally and irrevocably consent to the jurisdiction and venue of the courts of the Commonwealth of Pennsylvania or of any federal court located in such state and waives personal service of any and all process upon it and consents that all such service of process be made by certified or registered mail directed to a Debtor at the address provided for in Section 9(c) and service so made shall be deemed to be completed upon actual receipt. Each of the Debtors waives the right to contest the jurisdiction and venue of the courts located in the Commonwealth of Pennsylvania on the ground of inconvenience or otherwise and, further, waives any right to bring any action or proceeding against the Agent in any court outside the City of Philadelphia, Pennsylvania. The provisions of this Section shall not limit or otherwise affect the right of the Agent to institute and conduct an action in any other appropriate manner, jurisdiction or court.

NEITHER THE AGENT NOR THE DEBTORS NOR ANY OTHER PERSON LIABLE FOR THE INDEBTEDNESS TO THE AGENT, NOR ANY ASSIGNEE, SUCCESSOR, HEIR OR PERSONAL REPRESENTATIVE OF ANY SUCH PERSON SHALL SEEK A JURY TRIAL IN ANY PROCEEDING BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY NOTE, ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH, ANY COLLATERAL OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG SUCH PERSONS, OR ANY OF THEM. NO SUCH PERSON WILL SEEK TO CONSOLIDATE ANY SUCH ACTION INTO ONE IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, EACH PARTY HERETO WAIVES ANY RIGHTS IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THIS SECTION, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES. EACH PARTY HERETO (i) CERTIFIES THAT NEITHER ANY REPRESENTATIVE, AGENT OR ATTORNEY OF THE AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (ii) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND EACH OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS

AND CERTIFICATIONS HEREIN. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCLOSED BY AND TO THE PARTIES HERETO AND THE PROVISIONS HEREOF SHALL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

14. ADDITIONAL DEBTORS. Any Person that is so required by the Loan Documents shall become a party hereto (an "Additional Debtor") by the execution and delivery of an Additional Debtor Joinder in substantially the form of Exhibit A attached hereto or as otherwise permitted by any Loan Document or as otherwise approved by the Agent and thereafter shall comply with the provisions hereof applicable to the Debtors. Concurrent therewith, the Additional Debtor may deliver replacement schedules for, or supplements to, Schedule 1 and/or Schedule 2 to this Agreement, as applicable, which replacement Schedules shall supersede, or supplements shall modify, the Schedules then in effect. Upon execution and delivery of a joinder to the Agent, the Additional Debtor shall be and become a Debtor for all purposes hereof as fully and to the same extent as if it were an original signatory hereto and shall be deemed to have made the representations and warranties set forth in Section 3 hereof as of the date of execution and delivery of such Additional Debtor Joinder and thereafter at any time that such representations must be restated pursuant to the terms of the Loan Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in the name and on behalf of the parties hereto as of the date first above written.

BORROWERS:

SL INDUSTRIES, INC.

By: 
Name: **DAVID R. NUZZO**
Title: **VICE PRESIDENT**

Address:
520 Fellowship Road
Suite A-114
Mt. Laurel, NJ 08054

Attn: David R. Nuzzo, Vice President

Facsimile No.: 856-727-1682
Telephone No.: 856-727-1500

SL DELAWARE, INC.

By: 
Name: **DAVID R. NUZZO**
Title: **VICEPRESIDENT**

Address:
103 Springer Building
3411 Silverside Road
Wilmington, DE 19810

Attn: David R. Nuzzo, Vice President

Facsimile No.: 302-478-3667
Telephone No.: 302-478-6160

GUARANTORS:

CEDAR CORPORATION

By: David R. Nuzzo
Name: DAVID R. NUZZO
Title: SECRETARY

CONDOR D.C. POWER SUPPLIES, INC.

By: David R. Nuzzo
Name: DAVID R. NUZZO
Title: SECRETARY

CONDOR HOLDINGS, INC.

By: David R. Nuzzo
Name: DAVID R. NUZZO
Title: SECRETARY

SL AUBURN, INC.

By: David R. Nuzzo
Name: DAVID R. NUZZO
Title: SECRETARY

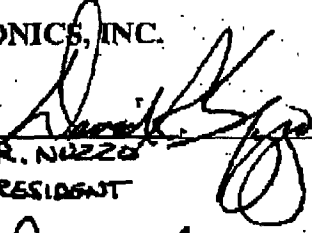
SL DELAWARE HOLDINGS, INC.

By: David R. Nuzzo
Name: DAVID R. NUZZO
Title: SECRETARY

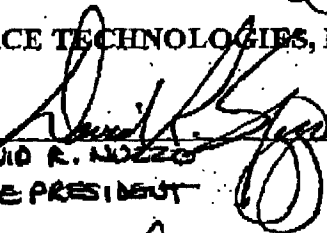
SL MONTEVIDEO TECHNOLOGY, INC.

By: David R. Nuzzo
Name: DAVID R. NUZZO
Title: SECRETARY

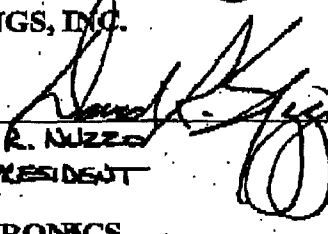
RFL ELECTRONICS, INC.

By: 
Name: DAVID R. NUZZO
Title: VICE PRESIDENT

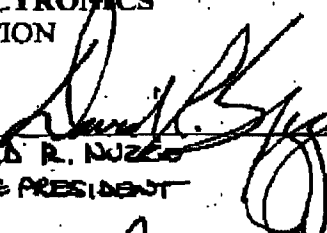
SL SURFACE TECHNOLOGIES, INC.

By: 
Name: DAVID R. NUZZO
Title: VICE PRESIDENT

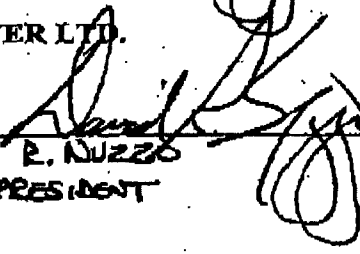
SLW HOLDINGS, INC.

By: 
Name: DAVID R. NUZZO
Title: VICE PRESIDENT

TEAL ELECTRONICS CORPORATION


By: 
Name: DAVID R. NUZZO
Title: VICE PRESIDENT

WABER POWER LTD.

By: 
Name: DAVID R. NUZZO
Title: VICE PRESIDENT

AGENT:

GE CAPITAL CFE, INC., as Agent

By: 
Name: **THOMAS E. JOHNSTONE**
Title: **DULY AUTHORIZED SIGNATORY**

Address:
GE Capital CFE, Inc.
500 W. Monroe
Chicago, IL 60661

Attn: Paul Puryear

Facsimile No.: 312-441-7114
Telephone No.: 312-441-7236

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EXHIBIT A

Form of Additional Debtor Joinder

Joinder to Security Agreement

Reference is made to the Intellectual Property Security Agreement (the "Security Agreement") dated as of February ___, 2002, between SL Industries, Inc., SL Delaware, Inc. and their subsidiaries listed on the signature pages thereto and GE Capital CFE, Inc., as agent; capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in, or by reference in, the Security Agreement.

The undersigned hereby agrees that upon delivery of this Additional Debtor Joinder to the Agent referred to above, the undersigned shall be and become a Debtor for all purposes of the Security Agreement as fully and to the same extent as if it were an original signatory thereto and shall be deemed to have made the representations and warranties set forth in Section 3 therein as of the date of execution and delivery of this Additional Debtor Joinder and at any future dates that such representations must be restated pursuant to the terms of the Loan Documents. Without limiting the generality of the foregoing, the undersigned specifically acknowledges and agrees to the Consent to Jurisdiction and Waiver of Jury Trial provisions set forth in Section 13 thereof.

Attached hereto are [supplemental] [replacement] Schedules [1, and/or 2] to the Security Agreement.

An executed copy of this Joinder shall be delivered to the Agent, and the Agent and the Banks may rely on the matters set forth herein in entering into and extending credit under the Credit Agreement on or after the date hereof. This Joinder shall not be modified, amended, or terminated without the prior written consent of the Agent.

[Name of New Debtor]

Title:
Address:

Dated: _____

Schedule 1

To Security Agreement

List of Intellectual Property

<u>Corporate Owner</u>	<u>State of Formation</u>	<u>Address of Chief Executive Officer</u>	<u>Notice Address</u>	<u>Intellectual Property</u>
SL Industries, Inc.	NJ	520 Fellowship Road Suite A-114 Mt. Laurel, NJ 08054	520 Fellowship Road Suite A-114 Mt. Laurel, NJ 08054	
Condor D.C. Power Supplies, Inc.	CA	2311 Statham Parkway Oxnard, CA 93033	520 Fellowship Road Suite A-114 Mt. Laurel, NJ 08054	US Pat No: 6,069,804 US Pat No: 4,999,594 US Pat No: 4,658,345 Licensee of: US Pat No: 5,734,562 (Richard Redl, Licensor) US Patnos: 5,734,562 & 4,441,146 (VLT Corp, Licensor) US Reissue No: 36,098 (VLT Corp, Licensor) France Pat No: 0100356 (VLT Corp, Licensor) Great Britain Pat No: 0100365 (VLT Corp Licensor) Japan Pat No: 1518244 (VLT Corp, Licensor)
SL Montevideo Technology, Inc.	MN	2002 Black Oak Avenue Montevideo, MN 56265	520 Fellowship Road Suite A-114 Mt. Laurel, NJ 08054	US Trademark Reg. No.: 2,155,211 US Pat No: 6,137,251 US Pat No: 5,677,580 US Pat No: 5,905,348

<u>Corporate Owner</u>	<u>State of Form- ation</u>	<u>Address of Chief Executive Officer</u>	<u>Notice Address</u>	<u>Intellectual Property</u>
RFL Electronics, Inc. (formerly Dowty RFL Industries)	DE	353 Powerville Road Boonton Township, NJ 07005	520 Fellowship Road Suite A-114 Mt. Laurel, NJ 08054	US TM Reg. No: 777,274 GB TM Reg. No: 8881915 IT TM Reg. No: 79262 Switzerland TM Reg. No. 196,604 Belgium TM Reg. No. 98551 US Pat No: 4,939,617 US Pat No: 5,150,270 US Pat No: 5,329,414 Licensee of Exclusive R&D/Exploitation License of Modified Modem Expander invention and improvements [not patented (Kenneth Reed, Licensor) Licensee of Software License for "Netmon Software Application [not patented] (SNM Research Int'l, Licensor)
SL Surface Technologies, Inc. (formerly SL Modern Hard Chrome Inc.)	NJ	1416 South Sixth Street Camden, NJ 08102	520 Fellowship Road Suite A-114 Mt. Laurel, NJ 08054	US Service Mark Serial No: 74/666,647 <u>Unregistered Brand</u> : "We know wear and how" TM
Teal Electronics Corporation	CA	10350 Sorrento Valley Road San Diego, CA 92121	520 Fellowship Road Suite A-114 Mt. Laurel, NJ 08054	US TM Reg. No.: 1,717,634 US Pat Application No: 09/596,172 US Pat Application No: 09/632,547 US Pat No: 5,012,382 <u>Unregistered In-Use Trade Names</u> TEAL TM TEAL Electronics TM TEAL Electronics Corporation TM <u>Unregistered In-Use marks</u> : TEALvRx TM TEALwave TM TEALtap TM TEALtran TM TEAL logo TM (since July 2000) We Power Technology TM Custom Power Solutions TM

Schedule 2

To Security Agreement

Trade Names

SL Surface Technologies, Inc. was formerly named SL Modern Hard Chrome, Inc.

SLW Holdings, Inc. was formerly named SL Waber, Inc.