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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): Resistance Technology, Inc. [ ] Individual(s) [ ] Association [ ] General Partnership [ ] Limited Partnership [x] Corporation-State [ ] Other Additional name(s) of conveying party(ies) attached? [ ] Yes [x] No

2. Name and address of receiving party(ies) Name: Wachovia Bank, National Association Internal Address: Street Address: 123 South Broad Street-PA1246 City: Philadelphia State: PA Zip: 19109 [ ] Individual(s) citizenship [ ] Association [ ] General Partnership [ ] Limited Partnership [ ] Corporation-State [x] Other National Banking Association (U.S.) If assignee is not domiciled in the United States, a domestic representative designation is attached: [ ] Yes [x] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [ ] Yes [x] No

3. Nature of conveyance: [ ] Assignment [ ] Merger [x] Security Agreement [ ] Change of Name [ ] Other Execution Date: 03/18/2004

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) 2,643,600 Additional number(s) attached [ ] Yes [x] No

6. Total number of applications and registrations involved: 1

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Robert E. Rosenthal Internal Address: Duane Morris LLP Street Address: One Liberty Place City: Philadelphia State: PA Zip: 19103

7. Total fee (37 CFR 3.41).....\$ 40.00 [ ] Enclosed [x] Authorized to be charged to deposit account

8. Deposit account number: 04-1679

DO NOT USE THIS SPACE

9. Signature. Robert E. Rosenthal Name of Person Signing [Signature] Signature 7/14/04 Date Total number of pages including cover sheet, attachments, and document: 15

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

CH \$40.00 041679 2643600

**AMENDED AND RESTATED PATENT AND  
TRADEMARK SECURITY AGREEMENT**

This AMENDED AND RESTATED PATENT AND TRADEMARK SECURITY AGREEMENT (this "Security Agreement") is made on the 18<sup>th</sup> day of March 2004, between RESISTANCE TECHNOLOGY, INC., a Delaware corporation with offices located at 1260 Red Fox Road, Arden Hills, MN 55112 (the "Grantor"), and WACHOVIA BANK, NATIONAL ASSOCIATION, formerly known as First Union National Bank, a national banking association (the "Lender").

**BACKGROUND**

A. Selas Corporation of America (the "Borrower"), the Lender, the Grantor, RTI Electronics, Inc. ("RTI Electronics"), RTI Export, Inc. a former subsidiary of the Borrower ("RTIE") and Deuer Manufacturing, Inc., a former subsidiary of the Borrower ("Deuer") are parties to that certain Amended and Restated Credit Agreement dated as of July 31, 1998, as amended by an Amendment dated as of June 30, 1999, a Second Amendment dated as of July 7, 2000 and a Third Amendment dated as of January 19, 2001 (as amended, the "Existing Loan Agreement"), pursuant to which the Lender agreed to make and has made certain credit facilities available to the Borrower upon the terms and conditions specified therein.

B. The Lender, through the Lender's London Branch ("London Branch"), and Selas SAS (formerly known as Selas S.A.), a corporation organized under the laws of France and a subsidiary of the Borrower ("Selas SAS"), entered into that certain Facility Agreement dated as of February 2, 2001, amended and restated in its entirety pursuant to that certain Amended and Restated Facility Agreement dated as of April 15, 2002, and amended by a First Amendment to Amended and Restated Facility Agreement dated as of January 16, 2003, a Second Amendment to Amended and Restated Facility Agreement dated as of February 27, 2003, and a Third Amendment to Amended and Restated Facility Agreement dated as of March 14, 2003 (as amended, the "Existing Selas SAS Facility Agreement"), pursuant to which the Lender provided to Selas SAS, among other things, a discretionary overdraft facility.

C. The Lender, through its London Branch, and Selas SAS also entered into a certain term loan agreement dated January 2000, amended and restated in its entirety by that certain agreement dated as of April 15, 2002, and amended by a First Amendment to Selas SAS 2000 Term Loan Agreement dated as of January 16, 2003, a Second Amendment to Selas SAS 2000 Term Loan Agreement dated as of February 27, 2003, and a Third Amendment to Selas SAS 2000 Term Loan Agreement dated as of March 14, 2003 (as amended, the "Existing Selas SAS 2000 Term Loan Agreement") pursuant to which the Lender made a term loan to Selas SAS.

D. The Borrower, the Grantor, RTIE, RTI Electronics, Deuer, Selas SAS, CFR-CECF Fofumi Ripoche, a corporation organized under the laws of France and a subsidiary of the Borrower ("CFR"), and the Secured Party entered into that certain Second Waiver and Amendment Agreement dated as of April 15, 2002, as amended by that certain First Amendment to Second Waiver and Amendment Agreement dated as of June 24, 2002, that certain Second Amendment to Second Waiver and Amendment Agreement dated as of July 30, 2002, that

certain Third Amendment to Second Waiver and Amendment Agreement dated as of November 14, 2002, that certain Fourth Amendment to Second Waiver and Amendment Agreement dated as of January 16, 2003, that certain Fifth Amendment to Second Waiver and Amendment Agreement dated as of February 21, 2003, that certain Sixth Amendment to Second Waiver and Amendment Agreement dated as of February 27, 2003, and that certain Seventh Amendment to Second Waiver and Amendment Agreement dated as of March 7, 2003 (as amended, the "Second Waiver Agreement"), pursuant to which the Secured Party agreed, among other things, to provide the Borrower with a new supplemental credit facility (the "Existing Supplemental Credit Facility").

E. The Grantor guaranteed and became surety for all loans, advances, debts, liabilities, obligations, covenants and duties of the Borrower to the Lender pursuant to that certain Guaranty and Suretyship Agreement of RTI dated as of October 20, 1993 and amended as of July 31, 1998 (as amended, the "RTI Surety Agreement").

F. The Grantor guaranteed and became surety for all loans, advances, debts, liabilities, obligations, covenants and duties of Selas SAS to the Lender pursuant to that certain Unconditional Guaranty of RTI dated as of January 10, 2000 (the "RTI Guaranty").

G. As security for any and all indebtedness, liabilities and obligations of Grantor to the Lender, the Grantor entered into, among other things, that certain Security Agreement between the Grantor and the Lender dated as of October 20, 1993 and as amended July 31, 1998 (as amended, the "Existing RTI Security Agreement") and that certain Patent and Trademark Security Agreement between the Grantor and the Lender dated as of October 20, 1993 and amended as of July 31, 1998 (the "Existing RTI Patent and Trademark Security Agreement" and, together with the Existing RTI Security Agreement, collectively, the "Existing Security Agreements"). The Existing Security Agreements, the Existing Loan Agreement, the Existing Selas SAS Facility Agreement, the Existing Selas SAS 2000 Term Loan Agreement, the Second Waiver Agreement, the RTI Surety Agreement, the RTI Guaranty, and all documents, instruments and agreements executed in connection with any of the foregoing are referred to hereinafter as, collectively, the "Existing Loan Documents."

H. The Borrower, the Grantor, the Lender and RTI Electronics have executed an Amended, Restated and Consolidated Loan Agreement of even date herewith (the "Agreement"), pursuant to which the Borrower and the Grantor and RTI Electronics have requested, and the Lender has agreed, to amend, restate and consolidate the terms and conditions of the Existing Loan Documents, upon and subject to the terms and conditions of the Agreement. The Agreement and all agreements and documents executed in connection therewith shall be referred to herein as the "Loan Documents."

I. As security for the obligations of the Borrower under the Agreement, the Grantor, and RTI Electronics have executed in favor of the Lender an Amended, Restated and Consolidated Guaranty dated of even date herewith (the "Guaranty").

J. To further secure the obligations of the Borrower under the Agreement and its own obligations under the Guaranty (collectively, the "Obligations"), the Grantor has agreed to grant to the Secured Party a security interest in the Collateral set forth below.

K. The Secured Party is willing to grant the extensions of credit contemplated by the Agreement only on the condition that the Grantor executes and delivers this Security Agreement to the Lender.

NOW, THEREFORE, in consideration of the promises contained herein and for other and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**Section 1. DEFINITIONS.**

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Agreement. The following terms shall have the meanings set forth below:

1.1 **Patents** means (a) all patents and patent applications now owned or hereafter created or acquired by the Grantor, including, without limitation, those described on Schedule A hereto, and the inventions and improvements described and claimed therein, and patentable inventions, (b) the examinations, reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, (c) all income, royalties, damages or payments now and hereafter due and/or payable under, and with respect to, any of the foregoing including, without limitation, damages or payment for past, present or future infringement of any of the foregoing, (d) the right to sue for past, present and future infringement of any of the foregoing, (e) all inventions, designs, proprietary or technical information, know-how, other data or information, software, databases, all embodiments or fixations thereof and related documentation, and all other trade secret rights not described above, and (f) all rights corresponding to any of the foregoing throughout the world.

1.2 **Trademarks** means (a) all of the Grantor's trademarks, trade names, corporate names, company names, business names, fictitious business names, all elements of package or trade dress goods, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith, whether now owned or hereafter created or acquired by the Grantor, including, without limitation, those described on Schedule B hereto, (b) all reissues, extensions or renewals thereof, (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing including, without limitation, damages or payments for past, present or future infringement or dilution of any of the foregoing, (d) the right to sue for past, present and future infringement or dilution of any of the foregoing, (e) all rights corresponding to any of the foregoing throughout the world, and (f) all goodwill associated with and symbolized by any of the foregoing.

1.3 **Event of Default** means (a) any Event of Default under this Security Agreement, the Agreement or any of the other Loan Documents; and (b) any violation by the Grantor of any representation, warranty or covenant contained in this Security Agreement (or any modification or amendment hereof) which is not cured and remedied within twenty (20) days after the earlier of (i) the date that such representation, warranty or covenant was violated; or (ii) the date on which the Grantor has knowledge of such violation.

**Section 2. GRANT OF SECURITY INTEREST.**

2.1 **Security Interest; Assignment of Patents and Trademarks.** As security for the payment and performance in full of all of the Obligations, the Grantor hereby (a) unconditionally reaffirms and/or grants, assigns and conveys to the Lender a continuing security interest in and first priority lien on all of its right, title and interest in and to the Patents and Trademarks, whether presently existing or hereafter created or acquired.

**Section 3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

3.1 The Grantor represents, warrants and covenants that: (a) Schedule A sets forth a true and complete list of all Patents and applications for Patents now owned by the Grantor; (b) Schedule B sets forth a true and complete list of all registrations and applications for Trademarks now owned by the Grantor; (c) the Patents and Trademarks are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and there is no threatened or pending litigation or proceeding of which the Grantor has received actual notice concerning the validity or enforceability of the Trademarks or Patents; (d) to the Grantor's knowledge, each of the Patents and Trademarks is valid and enforceable; (e) to the Grantor's knowledge, there is no infringement by any Person of the Trademarks or Patents; (f) to the Grantor's knowledge, no claim has been made that the use of any of the Trademarks or Patents violates the rights of any Person, and to the Grantor's knowledge, none of the Trademarks or Patents infringes the trademark rights of a Person; (g) for all Patents and Trademarks listed on Schedule A and Schedule B, respectively, the Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to such Patents and Trademarks, free and clear of any liens, charges, encumbrances and adverse claims, including pledges, assignments, licenses, registered user agreements and covenants by the Grantor not to sue third persons (other than the security interest created by the Agreement and this Security Agreement); (h) the Grantor has the unqualified right to enter into this Security Agreement and to perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents, consultants, licensors and licensees that will enable it to comply with the covenants herein contained; (i) the Grantor has used, and will continue to use, proper statutory and other appropriate proprietary notices in connection with its use of the Patents and Trademarks; (j) the Grantor has used, and will continue to use for the duration of this Security Agreement, consistent standards of quality in its manufacture and provision of products and services sold or provided under the Patents and Trademarks; (k) this Security Agreement, together with the Agreement, continues in favor of the Lender a valid and perfected first priority security interest in the Patents and Trademarks and no authorization, approval or other action by, and no notice to or filing with, any governmental or regulatory authority, agency or office is required for the grant by the Grantor or the effectiveness of the security interest granted hereby or for the execution, delivery and performance of this Security Agreement by the Grantor.

**Section 4. NO TRANSFER OR INCONSISTENT AGREEMENTS.**

4.1 Without the Lender's prior written consent, the Grantor will not (a) mortgage, pledge, assign, encumber, grant a security interest in, transfer, or alienate any of the Trademarks or Patents, or (b) enter into any agreement that is inconsistent with the Grantor's obligations under this Security Agreement or the Agreement.

**Section 5. AFTER-ACQUIRED PATENTS AND TRADEMARKS.**

5.1 **After-Acquired Trademarks.** If, before the Obligations shall have been finally paid and satisfied in full, the Grantor shall obtain any right, title or interest in or to any other or new Trademarks or Patents, the provisions of this Security Agreement shall automatically apply thereto and the Grantor shall, on the anniversary date of this Security Agreement, provide to the Lender notice thereof in writing and execute and deliver to the Lender such documents or instruments as the Lender may reasonably request further to implement, preserve or evidence the Lender's interest therein.

5.2 **Amendment to Schedule.** The Grantor authorizes the Lender to modify this Security Agreement without the necessity of the Grantor's further approval or signature, by amending Schedule A and Schedule B hereto to include any future or other Trademarks or Patents under Section 2 or Section 5 hereof.

**Section 6. PATENT AND TRADEMARK PROSECUTION.**

6.1 **Grantor Responsible.** The Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with the Patents and Trademarks, and shall hold the Lender harmless from any and all costs, damages, liabilities and expenses that may be incurred by the Lender in connection with the Lender's interest in the Trademarks or Patents or any other action or failure to act in connection with this Security Agreement or the transactions contemplated hereby. In respect of such responsibility, the Grantor shall retain trademark and patent counsel reasonably acceptable to the Lender.

6.2 **Grantor's Duties, etc.** The Grantor shall have the right and the duty, through trademark and patent counsel reasonably acceptable to the Lender, to prosecute diligently before the United States Patent and Trademark Office any applications for registration of Trademarks or Patents pending as of the date of this Security Agreement or thereafter, to preserve and maintain all rights in the registered Trademarks and issued Patents, including the filing of appropriate renewal applications and other instruments to maintain in effect the registered Trademarks and issued Patents and the payment when due of all renewal fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to such registered Trademarks and issued Patents. Any expenses incurred in connection with such applications and actions shall be borne solely by the Grantor. The Grantor shall not intentionally abandon any filed application for a Trademark or Patent, or any registered Trademark or issued Patent, without the consent of the Lender, which consent shall not be unreasonably withheld.

6.3 **Grantor's Enforcement Rights.** Subject to the requirements of Section 6.4 below, the Grantor shall have the right but not the obligation to bring suit or other action in the Grantor's own name to maintain and enforce the Patents and Trademarks. The Grantor may request that the Lender join in such suit or action as necessary to assure the Grantor's ability to bring and maintain any such suit or action in any proper forum, but the Lender may decline to so join if it is not completely satisfied that such joinder will not subject the Lender to any risk of liability. To the fullest extent permitted under applicable law, the Grantor shall promptly, upon

demand, reimburse and indemnify the Lender for all damages, costs and expenses, including legal fees, incurred by the Lender pursuant to this Section 6.3.

6.4 **Protection of Patents and Trademarks.** In general, the Grantor shall take any and all such actions (including institution and maintenance of suits, proceedings or actions) as may be commercially reasonable to properly maintain, protect, preserve, care for and enforce the Patents and Trademarks except where a failure to do so would have no material adverse effect on the business, assets or financial condition of the Grantor. The Grantor shall not take or fail to take any action, or permit any action to be taken or not taken by others under its control, that would adversely affect the validity, grant or enforcement of the Patents and Trademarks except where a failure to do so would have no material adverse effect on the business, assets or financial condition of the Grantor.

6.5 **Notification by Grantor.** Promptly upon obtaining knowledge thereof, the Grantor will notify the Lender in writing of the institution of, or any final adverse determination in, any proceeding in the United States Patent and Trademark Office or any similar office or agency of the United States, or any court, regarding the validity of any of the Trademarks or Patents or of the Grantor's right, title or interest in and to Trademarks or Patents, and of any event that does or reasonably could materially adversely affect the value of any of the Trademarks or Patents, the ability of the Grantor or the Lender to dispose of any of the Trademarks or Patents or the rights and remedies of Lender in relation thereto (including, but not limited to, the levy of any legal process against any of the Trademarks or Patents).

## **Section 7. REMEDIES.**

7.1 Upon the occurrence and during the continuance of an Event of Default, the Lender shall have, in addition to all other rights and remedies given it by this Security Agreement, those rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code, and, without limiting the generality of the foregoing, the Lender may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Grantor, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Trademarks or Patents, or any interest that the Grantor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks or Patents all expenses incurred by the Lender in attempting to enforce this Security Agreement (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations as set forth in or by reference in the Agreement. At any such sale or other disposition, the Lender may, to the extent permitted under applicable law, purchase or license the whole or any part of the Trademarks or Patents or interests therein sold, licensed or otherwise disposed of.

## **Section 8. PROTECTION OF PATENTS AND TRADEMARKS.**

8.1 If the Grantor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of the Grantor shall be breached, the Lender, in its own name or that of the Grantor (in the sole discretion of the Lender), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to

be remedied), and the Grantor agrees to promptly reimburse the Lender for any cost or expense incurred by the Lender in so doing.

**Section 9. POWER OF ATTORNEY.**

9.1 If any Event of Default shall have occurred and be continuing, the Grantor does hereby make, constitute and appoint the Lender (and any officer or agent of the Lender as the Lender may select in its exclusive discretion) as its true and lawful attorney-in-fact, with full power of substitution and with the power to endorse the Grantor's name on all applications, documents, papers and instruments necessary for the Lender to use and exploit the Patents and Trademarks, or to grant or issue any exclusive or non-exclusive license of any of the Trademarks or Patents to any third person, or to take any and all actions necessary for the Lender to assign, pledge, convey or otherwise transfer title in or dispose of any of the Trademarks or Patents or any interest of the Grantor therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that the Grantor is obligated to execute and do hereunder. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and releases the Lender from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by the Lender under this power of attorney, specifically including the Lender's negligence (except for the Lender's gross negligence or willful misconduct.) This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Security Agreement.

**Section 10. FURTHER ASSURANCES.**

10.1 The Grantor shall, at any time and from time to time, and at the Grantor's expense, make, execute, acknowledge and deliver, and file and record as necessary or appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as the Lender may request in order to implement and effect fully the intentions, purposes and provisions of this Security Agreement, or to assure and confirm to the Lender the grant, perfection and priority of the Lender's security interest in the Patents and Trademarks.

**Section 11. TERMINATION.**

11.1 At such time as all of the Obligations have been indefeasibly paid and satisfied in full, this Security Agreement shall terminate and the Lender shall, upon the written request and at the expense of the Grantor, execute and deliver to the Grantor all deeds, assignments and other instruments as may be necessary or proper to reassign and reconvey to and re-vest in the Grantor the entire right, title and interest in and to the Patents and Trademarks previously granted, assigned, transferred and conveyed to the Lender by the Grantor pursuant to this Security Agreement, as fully as if this Security Agreement had not been made, subject to any disposition of all or any part thereof that may have been made by the Lender pursuant hereto or the Agreement. The Lender shall execute such documents as are necessary to release any security interest in the Patents and Trademarks as recorded in the United States Patent and Trademark Office or any other location.



**Section 12. COURSE OF DEALING.**

12.1 No course of dealing between the Grantor and the Lender, and no failure to exercise, or any delay in exercising, on the part of the Lender, any right, power or privilege hereunder or under the Agreement or any other agreement shall operate as a waiver thereof; and no single or partial exercise of any right, power or privilege hereunder or thereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. All of the Lender's rights and remedies with respect to the Patents and Trademarks, whether established hereby or by the Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

**Section 13. EXPENSES.**

13.1 Any and all fees, costs and expenses, of whatever kind or nature, including the attorneys' fees and expenses incurred by the Lender in connection with the preparation of this Security Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance or renewal fees, encumbrances, or otherwise protecting, maintaining or preserving the Patents and Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents and Trademarks, shall be borne and paid by the Grantor.

**Section 14. OVERDUE AMOUNTS.**

14.1 Until paid, all amounts due and payable by the Grantor hereunder shall be a debt secured by the Patents and Trademarks and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Agreement.

**Section 15. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION.**

15.1 **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE LENDER DOES NOT ASSUME ANY LIABILITIES OF THE GRANTOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING THE GRANTOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE TRADEMARKS OR PATENTS, OR ANY USE, LICENSE OR SUBLICENSE THEREOF, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY THE RESPONSIBILITY OF THE GRANTOR, AND THE GRANTOR SHALL INDEMNIFY THE LENDER FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING LEGAL FEES, INCURRED BY THE LENDER WITH RESPECT TO SUCH LIABILITIES.**

**Section 16. NOTICES.**

16.1 All notices and other communications made or required to be given pursuant to this Security Agreement shall be made in accordance with the provisions of the Agreement.

**Section 17. AMENDMENT AND WAIVER.**

17.1 This Security Agreement is subject to modification only by a writing specifically referencing this Security Agreement which is signed by the Lender and the Grantor, except as provided in Section 5.2 hereof. The Lender shall not be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by the Lender. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

**Section 18. GOVERNING LAW.**

18.1 The validity and interpretation of this Security Agreement and the rights and obligations of the parties shall be governed by the laws of the Commonwealth of Pennsylvania.

**Section 19. JUDICIAL PROCEEDINGS.**

19.1 Each party to this Security Agreement agrees that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by any party hereto or any successor or assign of any party, on or with respect to this Security Agreement or the dealings of the parties with respect hereto, shall be tried only by a court and not by a jury. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. Further, the Grantor waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. THE GRANTOR ACKNOWLEDGES AND AGREES THAT THIS PARAGRAPH IS A SPECIFIC AND MATERIAL ASPECT OF THIS SECURITY AGREEMENT AND THAT THE LENDER WOULD NOT EXTEND CREDIT TO THE BORROWER IF THE WAIVERS SET FORTH IN THIS PARAGRAPH WERE NOT A PART OF THIS SECURITY AGREEMENT.

**Section 20. MISCELLANEOUS.**

20.1 The headings of each section of this Security Agreement are for convenience only and shall not define or limit the provisions thereof.

20.2 This Security Agreement and all rights and obligations hereunder shall be binding upon the Grantor and its successors and assigns, and shall inure to the benefit of the Lender and its successors and assigns.

20.3 In the event of any irreconcilable conflict between the provisions of this Security Agreement and the Agreement, the provisions of the Agreement shall control.

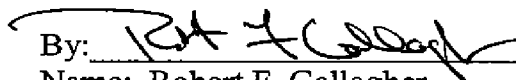
20.4 If any term of this Security Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Security Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein.

20.5 The Grantor acknowledges receipt of a copy of this Security Agreement.

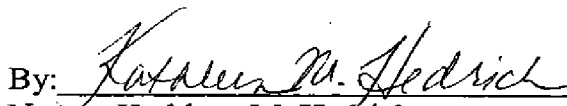
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IN WITNESS WHEREOF, this Security Agreement has been executed as of the day and year first above written.

**RESISTANCE TECHNOLOGY, INC.**

By:   
Name: Robert F. Gallagher  
Title: Chief Financial Officer

**WACHOVIA BANK, NATIONAL ASSOCIATION**

By:   
Name: Kathleen M. Hedrich  
Title: Vice President

Amended and Restated Patent and Trademark Security Agreement  
(Resistance Technology, Inc.)

Schedule A

Patents

<u>Title</u>	<u>Country</u>	<u>Patent No./Serial No.</u>	<u>Issued/Filing Date</u>
Various Directional/Omni-Directional Hearing Aid Microphone and Housing Structures Programmable Module	USA	6,690,806	02/10/2004
Directional/Omni-Directional Hearing Aid Microphone and Housing	USA	6,678,386	01/13/2004
	USA	6,597,793	07/22/2003
<i>Corresponding Foreign Cases</i>	EPO	99115521.9	08/05/1999
Miniature Microphone Housing and Switch	USA	D438,860	03/13/2001
Miniature Microphone Housing and Switch	USA	D438,196	02/27/2001
Wire Coil Potentiometer Wiper	USA	5,818,324	10/06/1998
Battery Door and Faceplate Arrangement for a Completely in the Canal Hearing Aid Device	USA	5,784,470	07/21/1998
Hearing Aid Controls Operable with Battery Door	USA	5,687,242	11/11/1997
Frequency Response Adjustable Device	USA	5,500,901	03/19/1996
Sandwich Switch Construction for a Hearing Aid	USA	5,463,692	10/31/1995
Potentiometer Retention Mechanism and Method of Mounting	USA	5,157,371	10/20/1992
<i>Corresponding Foreign Cases</i>	Germany		03/22/1995
	Netherlands	NL 355 119	03/22/1995
	Switzerland	CH 355 119	03/22/1995

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Miniature Modular Volume Control and Integrated Circuit Assembly for Use with a Hearing Aid	USA	5,001,762	03/19/1991
Potentiometer Mounting Mechanism	USA	5,014,037	05/07/1991
Method of Mounting a Potentiometer	USA	4,835,833	06/06/1989
Output Amplifier	USA	4,758,798	07/19/1988
<i>Corresponding Foreign Cases</i>	Canada	1,268,826	05/08/1990
	Sweden	SE 362 217	11/30/1994
	Belgium	BE 362 217	11/30/1994
	Luxembourg	LU 362 217	11/30/1994
	Italy	IT 362 217	11/30/1994
	Netherlands	NL 362 217	11/30/1994
	Switzerland	CH362 217	11/30/1994
	France	FR 362 217	11/30/1994
	Austria	AT362 217	11/30/1994
	Germany	P3582310.8	11/30/1994
	USA	4,636,768	01/13/1987
Compression Connection for Potentiometer Leads	USA	09/809,744	03/15/2001
Acoustic Switch with Electronic Switching Capability	EPO	1 264 515	
<i>Corresponding Foreign Cases</i>	USA	09/974,732	10/09/2001
Hearing Aid	USA	60/499,755	09/03/2003
Feedback Cancellation (Provisional)	USA		

113461.01400/21254511v2

Amended and Restated Patent and Trademark Security Agreement  
(Resistance Technology, Inc.)

Schedule B

Trademarks

Trademark Mark	Goods and Class	Registration No./Application No.	Registration Date/Filing Date	Country
CLARI-D	Miniature electronic amplifiers for use in hearing aid devices - 009	2,643,600	10/29/2002	USA
ULTIMA	Integrated circuit chips - 009	1,528,056	03/07/1989	USA
RTI and Design	Miniature electro-mechanical components, namely, volume controls, trimmer potentiometers, and switches - 009	1,539,058	05/16/1989	USA
RTI	Custom manufacture of miniature precision injected molded parts and electronic components, namely, volume controls, trimmer potentiometers, and switches - 037	1,539,610	05/16/1989	USA

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