

10-07-1999



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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other

Effective Date
Month Day Year
07101998

Conveying Party

Mark if additional names of conveying parties attached

Name

Execution Date
Month Day Year
07101998

Formerly

- Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership

- Corporation Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

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01 FC:481

40.00 DP

02 FC:482 Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

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Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1728965"/>	<input type="text" value="1884213"/>	<input type="text" value="1246953"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1462617"/>	<input type="text" value="0858563"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Vollie S. Scott

Vollie Scott

Sept 15, 1999

Name of Person Signing

Signature

Date Signed

THIRD-PARTY SECURITY AGREEMENT
(Revere Transducers, Inc.)

This third-party security agreement ("Agreement"), dated as of July 10, 1998, is made and entered into by REVERE TRANSDUCERS, INC., a Delaware corporation ("Grantor"), for the benefit of U.S. BANK NATIONAL ASSOCIATION, a national banking association ("Lender").

R E C I T A L S :

A. Concurrently with the execution of this Agreement, SI Technologies, Inc., a Delaware corporation ("Borrower"), entered into an amended and restated credit agreement of even date herewith (together with all supplements, exhibits, modifications, and amendments thereto, the "Credit Agreement"). Words and phrases with initial capital letters used in this Agreement shall have the meanings given to them in the Credit Agreement.

B. On the terms and conditions of the Credit Agreement, Lender has increased the amount of the Revolving Credit and has made or will make two additional term loans to Borrower. Certain proceeds of the Revolving Credit and of Revere Term Loan I and Revere Term Loan II have been, or will be, used to fund Borrower's acquisition of all of the outstanding equity securities of Grantor. Borrower also is authorized to use proceeds of the Revolving Credit for the benefit of Grantor.

C. Grantor acknowledges that Grantor has had an opportunity to review the Credit Agreement and all other Loan Documents and is fully familiar with the terms of the Loans and the benefits of the Loans' proceeds to Grantor. Execution and delivery of this Agreement by Grantor are conditions to Lender's agreement to make further advances under the Revolving Credit and to disburse proceeds of Revere Term Loan I or Revere Term Loan II.

NOW, THEREFORE, in order for Lender to make the Loans contemplated by the terms of the Credit Agreement, Grantor agrees as follows:

ARTICLE I. DEFINITIONS

Unless otherwise defined herein, terms defined in the Credit Agreement shall have the same meanings when used herein. For the purposes of this Agreement, the following terms shall have the following meanings:

"Account" means any right to payment for goods sold or leased or for services rendered that is not evidenced by an Instrument or Chattel Paper, whether or not it has been earned by performance.

"Account Debtor" means the party who is obligated on or under any Account, Chattel Paper, or General Intangible.

"Assignee Deposit Account" shall have the meaning set forth in Section 5.7 hereof.

"Chattel Paper" means all interest of Grantor in writings that evidence both a monetary obligation and a security interest in or a lease of specific goods, including any group of writings consisting of both a security agreement or a lease and an Instrument or series of Instruments.

"Collateral" means all property, real, personal, and mixed, tangible and intangible, wherever located, now owned or hereafter acquired by Grantor, or in which Grantor has or later obtains an interest, and all products, profits, rents, and proceeds of such property, including but not limited to Accounts, Chattel Paper, Deposit Accounts, Documents, Equipment, Financial Assets, General Intangibles, Goods, Instruments, Inventory, Investment Property, and Trademarks.

"Deposit Account" means a demand, time, savings, passbook, or like account maintained with a bank, savings and loan association, credit union, or like organization, other than an account evidenced by a certificate of deposit.

"Document" means all of Grantor's right, title, and interest in or to any document of title as defined in RCW 62A.1-201 and any receipt of the kind described in RCW 62A.7-201(2).

"Equipment" means all of Grantor's right, title, and interest in and to Goods that are used or bought for use primarily in business and that are not included within the definition of Inventory, including but not limited to all machinery, equipment, furnishings, fixtures, vehicles, tools, supplies, and other equipment of any kind and nature and all additions, substitutions, and replacements of any of the foregoing, together with all attachments, components, parts, accessories, improvements, upgrades, and accessories installed thereon or affixed thereto.

"Event of Default" means an occurrence of an Event of Default as defined in the Credit Agreement.

"Financial Assets" means all of Grantor's right, title, and interest in and to any financial asset as defined in RCW 62A.8-102.

"General Intangibles" means all personal property (including things in action) other than Goods, Accounts, Chattel Paper, Documents, Financial Assets, Instruments, Investment Property, and money, including but not limited to all Trademarks, insurance proceeds, patents, copyrights, trade names, trade secrets, goodwill, registration, license

rights, licenses, permits, corporate and other business records, rights to refunds or indemnification, and all other intangible personal property of Grantor of every kind and nature.

"Goods" means all things that are movable or that are fixtures, not including money, Documents, Financial Assets, Instruments, Accounts, Chattel Paper, Investment Property, or General Intangibles.

"Instrument" means any negotiable instrument or other writing that evidences a right to the payment of money and is not itself a security agreement or lease and is of a type that is in the ordinary course of business transferred by delivery with any necessary endorsement or assignment.

"Inventory" means all Goods held by Grantor for sale or lease, furnished or to be furnished by Grantor under any contract of service, or held by Grantor as raw materials, work in progress, or materials used or consumed in Grantor's business.

"Investment Property" means all of Grantor's right, title, and interest in and to any investment property as defined in RCW 62A.9-115.

"Secured Obligations" means any past, present, or future Indebtedness of Borrower to Lender, and includes but is not limited to (a) any indebtedness, obligation, or liability of any kind arising in any way of Borrower to Lender, now existing or hereafter created, under the Credit Agreement, the Notes, or the other Loan Documents, including any refinancing, renewal, replacement, extension, amendment, or substitution of such Indebtedness, (b) any obligations under any interest rate swap agreements to which Borrower or Grantor and U.S. Bancorp or any of U.S. Bancorp's Affiliates are parties, (c) any liability or obligation of Grantor hereunder, (d) the obligations of Grantor under any guaranty executed by Grantor and delivered to Lender, whereby Grantor guarantees the Indebtedness of any Person other than Grantor to Lender, (e) the obligations of Borrower under any guaranty executed by Borrower and delivered to Lender, whereby Borrower guarantees the indebtedness of any Person other than Borrower to Lender, and (e) any cost, expense, or liability, including but not limited to reasonable attorney fees, that may be incurred and advances that may be made by Lender in any way in connection with any of the foregoing or any security therefor.

"Trademark" means (a) any trademark, trade name, corporate name, company name, business name, fictitious business name, trade style, service mark, logo or other source or business identifier, and the goodwill associated therewith, now existing or hereafter adopted or acquired, any registration or recording thereof, and any application in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States or of any state thereof, or any other country or any political subdivision thereof, or otherwise, including but not limited to any thereof referred to in Schedule I hereto, and (b) all renewals thereof.

ARTICLE II. GRANT OF SECURITY INTEREST

As security for the payment and satisfaction of the Secured Obligations, Grantor hereby grants to Lender a continuing security interest in and assigns to Lender all of Grantor's right, title, and interest in the Collateral and all products, profits, rents, and proceeds thereof.

ARTICLE III. COVENANTS OF GRANTOR

Grantor shall fully perform each of the covenants set forth below.

3.1 Obligations to Pay.

(a) Grantor shall pay to Lender, in timely fashion and in full, all amounts payable by Grantor to Lender, pursuant to this Agreement and the other Loan Documents; and

(b) Grantor shall pay and reimburse Lender for all expenditures including reasonable attorney fees and legal expenses in connection with the exercise by Lender of any of its rights or remedies under the Credit Agreement or the other Loan Documents.

3.2 Performance. Grantor shall fully perform in a timely fashion every covenant, agreement, and obligation set forth herein.

3.3 Further Documentation. At its own expense, Grantor shall execute and deliver any financing statement, any renewal, substitution, or correction thereof, or any other document; shall procure any document; and shall take such further action as Lender may require in obtaining the full benefits of this Agreement.

3.4 Filing Fees. Grantor shall pay all costs of filing any financing, continuation, or termination statement with respect to the security interests granted herein.

3.5 Pledges. Grantor shall deliver and pledge to Lender, endorsed or accompanied by instruments of assignment or transfer satisfactory to Lender, any Instruments, Investment Property, Documents, General Intangibles, or Chattel Paper that Lender may specify from time to time.

3.6 Maintenance of Records. Grantor shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral including but not limited to a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. Grantor shall mark its books and records pertaining to the Collateral to evidence this Agreement and the security interests granted herein. Grantor shall deliver and turn over to Lender all books and records pertaining to the Collateral at any

time after the occurrence and during the continuation of an Event of Default, if so demanded by Lender.

3.7 Disposition of Collateral. Except as allowed in the Credit Agreement, Grantor shall not sell or transfer any of the Collateral or release, compromise, or settle any obligation or receivable due to Grantor.

3.8 Indemnification. Grantor agrees to pay, and to indemnify Lender and hold Lender harmless from, all liabilities, costs, and expenses including but not limited to legal fees and expenses with respect to or resulting from (a) any delay in paying any excise, sales, or other taxes that may be payable or determined to be payable with respect to any of the Collateral, (b) any delay by Grantor in complying with any requirement of law applicable to any of the Collateral, or (c) any of the transactions contemplated by this Agreement. In any suit, proceeding, or action brought by Lender under any Account to enforce payment of any sum owing thereunder or to enforce any provisions of any Account, Grantor will indemnify Lender and hold Lender harmless from all expense, loss, or damage suffered by reason of any defense, setoff, counterclaim, recoupment, reduction, or liability whatsoever of the Account Debtor thereunder arising out of a breach by Grantor of any obligation thereunder or arising out of any other agreement, indebtedness, or liability at any time owing to or in favor of such Account Debtor or its successors from Grantor.

3.9 Limitations on Amendments, Modifications, Terminations, Waivers, and Extensions of Contracts and Agreements Giving Rise to Accounts. Grantor will not (a) amend, modify, terminate, waive, or extend any provision of any agreement giving rise to an Account in any manner that could reasonably be expected to have a material adverse effect on the value of such Account as Collateral or (b) fail to exercise promptly and diligently every material right that it may have under each agreement giving rise to an Account, other than any right of termination.

3.10 Limitations on Discounts, Compromises, and Extensions of Accounts. Grantor will not grant any extension of the time of payment of any of the Accounts; compromise, compound, or settle the same for less than the full amount thereof; release, wholly or partially, any Person liable for the payment thereof; or allow any credit or discount whatsoever thereon.

3.11 Further Identification of Collateral. Grantor will furnish to Lender from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Lender may request, all in reasonable detail.

3.12 Notices. Grantor will advise Lender promptly in reasonable detail at its address set forth in Section 7.9 (a) of any Lien (other than Liens created hereby or permitted under the Credit Agreement) on or claim asserted against any of the Collateral and

(b) of the occurrence of any other event that could reasonably be expected to have a material adverse effect on the Collateral or on the Liens created hereunder.

3.13 Changes in Locations, Name, Etc. Grantor will not (a) change the location of its chief executive office/chief place of business from that specified in Section 4.10 or remove its books and records from the location specified in Section 4.6, (b) permit any of the Inventory or Equipment to be kept at locations other than those listed on Schedule II hereto, or (c) change its name, identity, or structure to such an extent that any financing statement filed by Lender in connection with this Agreement would become seriously misleading, unless it shall have given Lender at least ten days' prior written notice thereof.

3.14 Trademarks.

(a) Grantor (either itself or through licensees) will (i) continue to use each Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures, and price lists in order to maintain such Trademark in full force free from any claim of abandonment for nonuse, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) employ such Trademark with the appropriate notice of registration, (iv) not adopt or use any mark that is confusingly similar to or a colorable imitation of such Trademark unless Lender shall obtain a perfected security interest in such mark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated.

(b) Grantor will notify Lender immediately if it knows, or has reason to know, of (i) any application or registration relating to any Trademark material to its business that may become abandoned or dedicated, or (ii) any adverse determination or development (including but not limited to the institution of, or any adverse determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding Grantor's ownership of any material Trademark or its right to register, keep, or maintain the same.

(c) Whenever Grantor, either by itself or through any agent, employee, licensee, or designee, shall file an application for the registration of any material Trademark with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, Grantor shall report such filing to Lender within five Business Days after the last day of the calendar month in which such filing occurs. Grantor shall execute and deliver to Lender all agreements, instruments, powers of attorney, documents, and papers that Lender may request to evidence Lender's security interest in any Trademark and in the goodwill and general intangibles of Grantor relating to or represented by the Trademark. Grantor hereby constitutes Lender its attorney-in-fact to execute and file all such writings for the foregoing purposes, with all acts of such attorney

being hereby ratified and confirmed; and such power, being coupled with an interest, is irrevocable until all Secured Obligations are paid in full.

(d) Grantor will take all reasonable and necessary steps, including but not limited to all reasonable and necessary steps in any proceeding before the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application, to obtain the relevant registration, and to maintain each registration of material Trademarks, including but not limited to filing applications for renewal, affidavits of use, and affidavits of incontestability.

(e) If any Trademark that is included in the Collateral is infringed, misappropriated, or diluted by a third party, Grantor shall promptly notify Lender after it learns thereof and shall take such action as Grantor reasonably deems appropriate under the circumstances to protect such Trademark.

3.15 Insurance. Grantor agrees to insure the Collateral against all hazards in form and amount satisfactory to Lender. If Grantor fails to obtain such insurance, Lender shall have the right, but not the obligation, to obtain either insurance covering both Grantor's and Lender's interest in the Collateral, or insurance covering only Lender's interest in the Collateral. Grantor agrees to pay any premium charged for such insurance. This amount may be added to the outstanding balance of the Loans, and interest thereon shall be charged at the rate specified in any applicable Loan Document, or Lender may demand immediate payment. Any unpaid insurance premium advanced by Lender shall be secured under the terms of this Agreement. Lender will have no liability whatsoever for any loss which may occur by reason of the omission or lack of coverage of any such insurance. Grantor hereby assigns to Lender the right to receive proceeds of such insurance to the full amount of the Secured Obligations and hereby directs any insurer to pay all proceeds directly to Lender, and authorizes Lender to endorse any draft. In Lender's sole discretion, Lender may apply any insurance proceeds either toward repair of the property or reduction of the balance of the Secured Obligations.

3.16 Copy of Financing Statement. Grantor agrees that a carbon, photographic, or other reproduction of a financing statement or this Agreement is sufficient as a financing statement.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES

Grantor hereby makes the following representations and warranties:

4.1 Title to Collateral. Grantor has good and marketable title to all the Collateral, free and clear of all Liens excepting only the security interests created pursuant to this Agreement or permitted pursuant to the Credit Agreement.

4.2 No Impairment of Collateral. None of the Collateral shall be impaired or jeopardized because of the security interest herein granted.

4.3 Other Agreements. The execution and delivery of this Agreement, the consummation of the transactions provided for herein, and the fulfillment of the terms hereof will not result in the breach of any of the terms, conditions, or provisions of, or constitute a default under, or conflict with, or cause any acceleration of any obligation under any (a) agreement or other instrument to which Grantor is a party or by which Grantor is bound or (b) Applicable Law.

4.4 No Approvals. No Governmental Approvals of any nature are required in connection with the security interests herein granted.

4.5 Authority. Grantor has full power and authority to assign to Lender and to grant to Lender a security interest in the Collateral.

4.6 Location of Records. The address of the office where the books and records of Grantor are kept concerning the Collateral is set forth on Schedule II.

4.7 Location of Collateral. The locations of all Inventory and Equipment of Grantor are described on Schedule II.

4.8 Name. Grantor conducts its business only under the name "Revere Transducers, Inc."

4.9 Accounts. The amount represented by Grantor to Lender from time to time as owing by each Account Debtor or by all Account Debtors in respect of the Accounts will at such time be the correct amount actually owing by such Account Debtor or Account Debtors thereunder. No material amount payable to Grantor under or in connection with any Account is evidenced by any Instrument or Chattel Paper that has not been delivered to Lender.

4.10 Chief Executive Office. Grantor's chief executive office and chief place of business is located at the address set forth on Schedule II.

4.11 Trademarks. Schedule I hereto includes all Trademarks owned by Grantor in its own name as of the date hereof. To the best of Grantor's knowledge, each such Trademark is valid, subsisting, unexpired, and enforceable and has not been abandoned. Except as set forth in Schedule I, none of such Trademarks is the subject of any licensing or franchise agreement. No holding, decision, or judgment that would limit, cancel, or question the validity of any such Trademark has been rendered by any Governmental Authority. No action or proceeding is pending that (a) seeks to limit, cancel, or question the validity of any such Trademark or (b) would, if adversely determined, have a material adverse effect on the value of any Trademark.

4.12 Governmental Obligors. No Account Debtor is a Governmental Authority.

ARTICLE V. LENDER'S RIGHTS WITH RESPECT TO THE COLLATERAL

5.1 No Duty on Lender's Part. Lender shall not be required (except at its option upon the occurrence and during the continuation of any Event of Default) to realize upon any Accounts, Financial Assets, Instruments, Investment Property, Chattel Paper, or General Intangibles; collect the principal, interest, or payment due thereon, exercise any rights or options of Grantor pertaining thereto; make presentment, demand, or protest; give notice of protest, nonacceptance, or nonpayment; or do any other thing for the protection, enforcement, or collection of such Collateral. The powers conferred on Lender hereunder are solely to protect Lender's interests in the Collateral and shall not impose any duty upon Lender to exercise any such powers. Lender shall be accountable only for amounts that Lender actually receives as a result of the exercise of such powers; and neither Lender nor any of its officers, directors, employees, or agents shall be responsible to Grantor for any act or failure to act hereunder.

5.2 Negotiations with Account Debtors. Upon the occurrence and during the continuation of any Event of Default, Lender may, in its sole discretion, extend or consent to the extension of the time of payment or maturity of any Instruments, Accounts, Chattel Paper, or General Intangibles.

5.3 Right to Assign. Except as otherwise provided in the Credit Agreement, Lender may assign or transfer the whole or any part of the Secured Obligations and may transfer therewith as collateral security the whole or any part of the Collateral; and all obligations, rights, powers, and privileges herein provided shall inure to the benefit of the assignee and shall bind the successors and assigns of the parties hereto.

5.4 Duties Regarding Collateral. Beyond the safe custody thereof, Lender shall not have any duty as to any Collateral in its possession or control, or as to any preservation of any rights of or against other parties.

5.5 Collection From Account Debtors. Upon the occurrence and during the continuation of any Event of Default, Grantor shall, upon demand by Lender (and without any grace or cure period), notify all Account Debtors to make payment to Lender of any amounts due or to become due. Grantor authorizes Lender to contact the Account Debtors for the purpose of having all or any of them pay their obligations directly to Lender. Upon demand by Lender, Grantor shall enforce collection of any indebtedness owed to it by Account Debtors.

5.6 Inspection. Lender and its designees, from time to time at reasonable times and intervals, may inspect the Equipment and Inventory and inspect, audit, and make copies of and extracts from all records and all other papers in the possession of Grantor.

5.7 Assignee Deposit Account. Upon demand by Lender after the occurrence of and during the existence of an Event of Default, Grantor will transmit and deliver to Lender, in the form received, immediately after receipt, all cash, checks, drafts, Chattel Paper, Instruments, or other writings for the payment of money including Investment Property (properly endorsed, where required, so that the items may be collected by Lender) that may be received by Grantor at any time. All items or amounts that are delivered by Grantor to Lender, or collected by Lender from the Account Debtors, shall be deposited to the credit of a Deposit Account ("Assignee Deposit Account") of Grantor with Lender, as security for the payment of the Secured Obligations. Grantor shall have no right to withdraw any funds deposited in the Assignee Deposit Account. Lender may, from time to time in its discretion, and shall, upon the request of Borrower made not more than twice in any week, apply all or any of the balance, representing collected funds, in the Assignee Deposit Account, to payment of the Secured Obligations, whether or not then due, in such order of application, not inconsistent with the terms of the Credit Agreement and this Agreement, as Lender may determine; and Lender may, from time to time in its discretion, release all or any of such balance to Grantor.

ARTICLE VI. LENDER'S RIGHTS AND REMEDIES

6.1 General. Upon the occurrence of any Event of Default, Lender may exercise its rights and remedies in the Credit Agreement and in any other Loan Documents and any other rights and remedies at law and in equity, simultaneously or consecutively, all of which rights and remedies shall be cumulative. The choice of one or more rights or remedies shall not be construed as a waiver or election barring other rights and remedies. Grantor hereby acknowledges and agrees that Lender is not required to exercise all rights and remedies available to it equally with respect to all the Collateral and that Lender may select less than all the Collateral with respect to which the rights and remedies, as determined by Lender, may be exercised.

6.2 Notice of Sale; Duty to Assemble Collateral. In addition to or in conjunction with the rights and remedies referred to in Section 6.1 hereof:

(a) Written notice mailed to Grantor at the address designated herein ten days or more prior to the date of public or private sale of any of the Collateral shall constitute reasonable notice.

(b) If Lender requests, Grantor will assemble the Collateral and make it available to Lender at places that Lender shall reasonably select, whether on Grantor's premises or elsewhere.

ARTICLE VII. GENERAL PROVISIONS

7.1 Entire Agreement. This Agreement, together with the Credit Agreement and the other Loan Documents, sets forth all the promises, covenants, agreements, conditions, and understandings between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, with respect thereto, except as contained or referred to herein. This Agreement may not be amended, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, discharge, or termination is sought.

7.2 Invalidity. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereunder, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

7.3 Nonwaiver and Nonexclusive Rights and Remedies.

(a) No right or remedy herein conferred upon or reserved to Lender is intended to be to the exclusion of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to every other right or remedy given hereunder and now or hereafter existing at law or in equity.

(b) No delay or omission by Lender in exercising any right or remedy accruing upon an Event of Default shall impair any such right or remedy, or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or of a different nature.

7.4 Termination of Security Interest. When all the Secured Obligations have been paid in full, the security interest provided herein shall terminate and Lender shall return to Grantor all Collateral then held by Lender, if any, and upon written request of Grantor, shall execute, in form for filing, termination statements of the security interests herein granted. Thereafter, no party hereto shall have any further rights or obligations hereunder.

7.5 Successors and Assigns. All rights of Lender hereunder shall inure to the benefit of its successors and assigns, and all obligations of Grantor shall be binding upon its successors and assigns.

7.6 Lender's Appointment as Attorney-in-Fact.

(a) Grantor hereby irrevocably constitutes and appoints Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact

with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time in Lender'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 that may be necessary or desirable to accomplish the purposes of this Agreement; and without limiting the generality of the foregoing, Grantor hereby gives Lender the power and right, on behalf of Grantor, without consent by or notice to Grantor, to do the following:

(i) to transfer to Lender or to any other Person all or any of the Collateral, to endorse any Instruments pledged to Lender, and to fill in blanks in any transfers of Collateral, powers of attorney, or other documents delivered to Lender;

(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 any part of the premiums therefor and the costs thereof;

(iii) upon the occurrence and during the continuation of any Event of Default (A) to take possession of, endorse, and collect any checks, drafts, notes, acceptances, or other instruments for the payment of moneys due under any Account, Instrument, or General Intangible or with respect to any other Collateral and (B) to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Lender for the purpose of collecting all such moneys due under any Account, Financial Assets, Instrument, Investment Property, or General Intangible or with respect to any other Collateral whenever payable; and

(iv) upon the occurrence and during the continuation of any Event of Default (A) to direct any party liable for any payment under any of the Collateral to make payment of all moneys due or to become due thereunder directly to Lender or as Lender shall direct; (B) to ask for, demand, collect, and 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 thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action, or proceeding brought against Grantor with respect to any Collateral; (F) to settle, compromise, or adjust any suit, action, or proceeding described in clause (E) above and, in connection therewith, to give such discharge or releases as Lender may deem appropriate;

(G) to assign any Trademark (along with the goodwill of the business to which any such Trademark pertains) throughout the world for such terms or terms, on such conditions, and in such manner as Lender shall in its sole discretion determine; and (H) 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 Lender were the absolute owner thereof for all purposes; and to do, at Lender's option and Grantor's expense, at any time or from time to time, all acts and things that Lender deems necessary to protect, preserve or realize upon the Collateral and Lender's liens thereon and to effect the intent of this Agreement, all as fully and effectively as Grantor might do.

(b) 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.

(c) Grantor also authorizes Lender, at any time and from time to time, to execute, in connection with the sale provided for in Article VI hereof, any endorsements, assignments, or other instruments of conveyance or transfer with respect to the Collateral.

(d) The powers conferred on Lender hereunder are solely to protect Lender's interests in the Collateral and shall not impose any duty upon Lender to exercise any such powers. Lender 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 officers, directors, employees, or agents shall be responsible to Grantor for any act or failure to act hereunder.

7.7 Performance by Lender of Grantor's Obligations. If Grantor fails to perform or comply with any of its agreements contained herein and Lender, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expense of Lender incurred in connection with such performance or compliance, together with interest thereon at the rate provided for in the Credit Agreement upon the occurrence of an Event of Default, shall be payable by Grantor to Lender on demand and shall constitute Secured Obligations.

7.8 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with and shall be governed by the laws of the state of Washington, without regard to the choice of law rules thereof.

7.9 Notices. All notices, requests, consents, demands, approvals, and other communications hereunder shall be deemed to have been duly given, made, or served if in writing and when delivered personally, or sent via facsimile, or mailed by first class mail, postage prepaid, to the respective parties to this Agreement as follows:

(a) If to Lender:

U.S. Bank
1420 Fifth Avenue, Eleventh Floor
Seattle, Washington 98101
Attn: Sean P. Brennan
Facsimile number: (206) 344-2332

(b) If to Grantor:

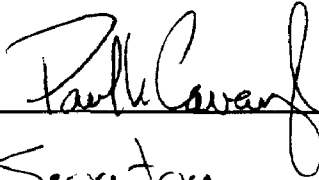
Revere Transducers, Inc.
c/o SI Technologies, Inc.
4611 South 134th Place
Seattle, Washington 98168
Attention: Rick A. Beets
Facsimile number: (206) 246-7195

The designation of the Person to be so notified or the address of such Person for the purposes of such notice may be changed from time to time by similar notice in writing, except that any communication with respect to a change of address shall be deemed to be given or made when received by the party to whom such communication was sent.

7.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original Agreement, but all of which together shall constitute one and the same instrument.

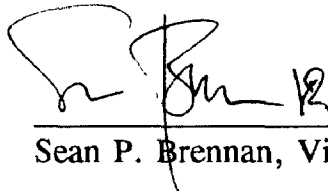
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents, duly authorized, to be effective as of July 10, 1998, although executed thereafter.

REVERE TRANSDUCERS, INC., a Delaware corporation

By 
Title Secretary

ACCEPTED BY:

U.S. BANK NATIONAL ASSOCIATION, a national banking association

By 
Sean P. Brennan, Vice President

SCHEDULE I

TRADEMARKS

Company	Trademarks	Registration Number
Revere Transducers, Inc	RT and Design	1,728,965
	ACCUCELL	1,884,213
	T and Design	858,563
	FORCE TRANSLATOR	1,246,953
	GONZINTA	1,462,617

SCHEDULE II

OFFICE ADDRESSES AND
COLLATERAL LOCATION

<i>Corporation and Address</i>	<i>Location of Collateral</i>
Allegany Inc. 11400 PPG Road Cumberland, MD 21502	
Allegany Technology, Inc. 11400 PPG Road Cumberland, MD 21502	Maryland
Meadowgrip Limited Seaman Works PO Box 12 Seaman Way, Ince Wigan WN1 3DD	
Selectaid Limited Seaman Works PO Box 12 Seaman Way, Ince Wigan WN1 3DD	
Revere Transducers Europe B.V. Ramshoorn 7 4824 AG, Breda Holland	
Revere Corporation of Europe GmbH Gervinusstr. 17 60322 Frankfurt Germany / Deutschland	
Revere Transducers, Inc. 14192 Franklin Tustin, CA 98780-7016	California
NV Technology, Inc. 4611 S. 134th Place Tukwila, WA 98168	Washington