

02-17-1999



100965969

SHEET 12 OF 11: 22

OFFICE/INVOICE

To the Honorable Commissioner for Patents : Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): Valdunes S.A.S.

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

3. Nature of conveyance:

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

Execution Date: December 18, 1998

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

Name: First Union National Bank

Internal Address: Attn: Syndication Agency Services

Street Address: One First Union Center, TW-10  
301 South College Street

City: Charlotte State: NC Zip: 27288-0608

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

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

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

A. Patent Application No.(s)

B. Patent No.(s): 5,349,861

5,363,702

5,503,019

5,527,079

5,702,141

Additional numbers attached? ☐ Yes ☒ No

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

Name: James D. Wright, Esq.

Internal Address: TROUTMAN SANDERS LLP

02/16/1999 DCOATES 00000084 5349861

01 FC:581

200.00 OP

Street Address: 600 Peachtree Street, N.E.

Suite 5200

City: Atlanta

State: Georgia

Zip: 30308

6. Total number of applications and patents involved: 57. Total fee (37 CFR 3.41) \$ 200.00☒ Enclosed☐ Authorized to be charged to deposit account8. Deposit Account No. 20-1507

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

DO NOT USE THIS SPACE

9. Statement and signature.

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

James D. Wright

Name of Person Signing

Signature

February 11, 1999

Date

Total number of pages comprising cover sheet: 1

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner for Patents  
Box Assignments  
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

CONDITIONAL ASSIGNMENT AND  
PATENT SECURITY AGREEMENT

THIS CONDITIONAL ASSIGNMENT AND PATENT SECURITY AGREEMENT (the "Agreement"), dated as of December 18, 1998, between VALDUNES S.A.S., a company organized under the laws of France (the "Assignor"), and FIRST UNION NATIONAL BANK, as Administrative Agent under the "Credit Agreement" as defined below (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, Assignor is owner of right, title, and interest in and to certain patents and patent applications; and

WHEREAS, Freedom Forge Holdings, Inc., a Delaware corporation, Assignor and certain affiliates of Assignor (collectively, the "Borrowers"), the lenders from time to time party thereto (the "Lenders"), First Union National Bank, as Issuing Bank (in such capacity, the "Issuing Bank") and as Swing Lender (in such capacity, the "Swing Lender"), the Administrative Agent, and Paribas, as Documentation Agent (in such capacity, the "Documentation Agent" and together with the Administrative Agent, the "Agents"), are parties to that certain Credit Agreement, dated as of December 18, 1998 (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), pursuant to which, among other things, the Issuing Bank, the Swing Lender, and the Lenders will make available to the Borrowers revolving credit loans (the "Revolving Credit Loans"), term loans (the "Term Loans"), and swing loans (the "Swing Loans" and, together with the Revolving Credit Loans and the Term Loans, the "Loans"); and

WHEREAS, the Issuing Bank, the Swing Lender, the Lenders, and the Agents have required, as a condition to their entry into the Credit Agreement and the making of the Loans and the other extensions of credit pursuant to the terms thereof, that Assignor and certain of its affiliates (collectively, the "Guarantors") execute and deliver to the Administrative Agent that certain European Group Guaranty Agreement, dated as of December 18, 1998 (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the "European Guaranty"); and

WHEREAS, the Issuing Bank, the Swing Lender, the Lenders, and the Agents have required, as a further condition to their entry into the Credit Agreement and the making of the Loans and the other extensions of credit pursuant to the terms thereof, that Assignor execute and deliver to the Administrative Agent this Agreement to secure the obligations of the Assignor under the Credit

NOW, THEREFORE, in consideration of the premises, the terms and conditions herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, it is hereby agreed as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Credit Agreement.

2. Grant of Security Interest.

To secure the complete and timely payment and performance of all Secured Obligations (as hereinafter defined), the Assignor hereby grants, assigns and conveys to the Administrative Agent, for the benefit of the Lenders, the Issuing Bank, the Swing Lender and the Agents, a security interest in the Assignor's entire right, title and interest in and to the following (collectively, the "Patents"):

- (a) the patents and patent applications listed in Schedule I (the "Current Patents") attached hereto and by reference made a part hereof;
- (b) all patents, registrations and applications for the protection of inventions and designs hereafter acquired by, granted to, or filed by Assignor, whether based upon, derived from or variations of any invention or designs disclosed in the Current Patents or otherwise (the "Future Patents");
- (c) all extensions, renewals, and continuations, re-issues, divisions, and continuations-in-part of the Current Patents and Future Patents;
- (d) all rights to sue for past, present and future infringements of the Current Patents and Future Patents;
- (e) all proceeds, including without limitation, license royalties and proceeds of infringement suits, based on the Current Patents and Future Patents;
- (f) all licenses now or hereafter relating to the Current Patents and Future Patents and all royalty payments or rights to royalty payments now or hereafter arising therefrom.

3. Secured Obligations. The collateral assignment contained herein shall secure the due and punctual payment of (i) the Obligations (under and as defined in the Credit Agreement), (ii) the payment and performance of all of the Assignor's obligations under the European Guaranty, and (iii) any and all other indebtedness, liabilities, and obligations of the Assignor to the Agents, the Issuing Bank, the Swing Lender, and the Lenders, or any of them, of every kind and nature (including, without limitation, interest, charges, expenses, attorneys' fees, and other sums chargeable to the

Assignor by either Agent, the Issuing Bank, the Swing Lender, or any Lender and future advances made to or for the benefit of the Assignor), whether arising under this Agreement, the European Guaranty, the Credit Agreement, or the other Loan Documents (collectively, the "Secured Obligations").

4. Representations, Warranties and Covenants.

The Assignor represents, warrants and covenants that:

- (a) Except as set forth on Schedule I, the Patents are subsisting (that is, they have issued and have not subsequently lapsed or prematurely expired) and have not been adjudged invalid or unenforceable, in whole or in part, in the United States of America (the "U.S.") or in any of the respective states thereof;
- (b) The Patents listed on Schedule I constitute all of the United States patents owned by the Assignor;
- (c) To the best of the Assignor's knowledge and belief, each of the subsisting Patents is valid and enforceable in the United States and the respective states thereof and all claims by others to rights in the Patents of which the Assignor is aware, including, without limitation, licenses, are noted on Schedule II, attached hereto and by reference made a part hereof, except that this paragraph shall not be construed as a representation or warranty that the Assignor has heretofore marked the number of its Patents on all goods covered by the claims of such Patents;
- (d) Except as noted on Schedule II, the Assignor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the Patents, free and clear of any liens, charges, encumbrances, mortgages, hypothecations, pledges, liens, security interests, or claims of any kind, including, without limitation, covenants by the Assignor not to sue third persons and licenses, other than Liens in favor of the Administrative Agent and Permitted Liens;
- (e) The Assignor has made all necessary applications, filings and recordations to protect and maintain its interest in the subsisting Patents, including, without limitation, all necessary filings and recordations in the U.S. Patent and Trademark Office;
- (f) The Assignor has the unqualified right, power, and authority to execute, deliver and perform this Agreement; and
- (g) Until all of the Secured Obligations shall have been satisfied in full and the

Commitments shall have been terminated, the Assignor will not enter into any agreement which is inconsistent with the Assignor's obligations under this Agreement without the Administrative Agent's prior written consent.

- (h) The Assignor shall perform all acts and execute all documents reasonably requested by the Administrative Agent at any time and from time to time to evidence, perfect, maintain, record and enforce the Administrative Agent's security interest in the Patents, including, without limitation, any patents falling under Paragraph 4.

5. Conditional Grant of Security Interest in Additional Patents.

If, before the Secured Obligations shall have been satisfied in full and the Commitments shall have been terminated, the Assignor shall have or obtain ownership of any patent or patent application, the provisions of Paragraph 1 shall automatically apply thereto. This Paragraph 4 shall not apply to Patents which are owned by others and licensed to the Assignor.

6. Modification of Agreement.

The Assignor authorizes the Administrative Agent to modify this Agreement by amending Schedule I to include any additional patent or patent application which are Patents pursuant to Paragraphs 2 and 4 hereof, and to have this Agreement, as amended, or any other document evidencing the security interest granted therein, recorded in the U.S. Patent and Trademark Office at the expense of the Assignor. The representations and warranties of the Assignor shall be deemed to be remade and restated by the Assignor as of the date of the amendment of Schedule I with respect to all Patents listed on the amended Schedule I at that time, except that no representation or warranty shall be deemed remade or restated with respect to any Patent that has expired.

7. Covenants of the Assignor.

(a) The Assignor covenants as follows: (i) it will use and not abandon or do any act or omit to do any act that may cause or contribute to the abandonment of any Patent, or permit the premature expiration of any Patent, provided that, if the Assignor determines that any Patent is not material to the Assignor's business, the Assignor may, if no Event of Default exists, abandon any Patent with prior written notice to the Administrative Agent; and (ii) the Assignor shall give the Administrative Agent written notice, and a complete copy, of any license or sublicense of the Patents.

(b) With respect to each Patent, the Assignor agrees to take all reasonable steps, including, without limitation, in the U.S. Patent and Trademark Office, or in any court, to: (i) maintain each such Patent, and (ii) pursue any patent application now or hereafter included in the Patents under this Agreement, including, without reservation, filing of responses to correspondence issued by the U.S. Patent and Trademark Office and payment of all maintenance fees or taxes as they

become due during the life of the Patent, provided, that, if the Assignor determines that any Patent is not material to its business, the Assignor may, if no Event of Default exists, abandon or not pursue any Patent with prior written notice to the Administrative Agent. The Assignor agrees to take corresponding steps with respect to each new or acquired Patent or patent application covered by Paragraph 3 hereof.

(c) With respect to each Patent, the Assignor agrees that it shall notify the Administrative Agent promptly after it becomes aware of any alleged infringement of any of the Patents by a third party. The Assignor further agrees to pursue all reasonable and appropriate causes of action against all infringers of the Patents, and the Assignor shall be solely liable for all costs associated with such causes of action, including, but not limited to, attorneys' fees. Notwithstanding the foregoing, if the Assignor determines that any such Patent is not material to the Assignor's business, the Assignor may, if no Event of Default exists, elect not to pursue any such infringement action with prior written notice to the Administrative Agent.

(d) Upon the Agent's request from time to time, the Assignor shall provide to the Administrative Agent an up-to-date list of all license agreements relating to or affecting the Patents, together with the names and addresses of each licensee and, if requested by the Administrative Agent, a copy of each license agreement.

#### 8. Remedies Upon Default; Power of Attorney

(a) In addition to the grant of the security interest contained in Paragraphs 2 and 4 hereof, if any Event of Default shall have occurred, upon the election of the Administrative Agent, all right, title and interest in and to the Patents shall be automatically granted, assigned, conveyed and delivered to the Administrative Agent or its designee. The Assignor hereby irrevocably constitutes and appoints the Administrative Agent and any officer, agent, or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Assignor and in the name of the Assignor or the Administrative Agent's own name or the name of the Administrative Agent's designee, all acts of said attorney being hereby ratified and confirmed, upon the occurrence and continuance of an Event of Default: (i) to complete, date, execute and file, or cause to be filed, the Assignment attached hereto as Exhibit A and by reference made a part hereof (the "Assignment") in the U.S. Patent and Trademark Office and in all other applicable offices, and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purpose of the Assignment, including, without limitation, the right (but not the obligation) to prosecute applications in the name of the Assignor or the Administrative Agent, and to take any other actions deemed necessary by the Administrative Agent to maintain such registration in effect; (ii) to collect all proceeds from the Patents (including, without limitation, license royalties and proceeds of infringement suits); (iii) to convey in any transaction authorized by the Loan Documents, any goods covered by the Patents to any purchaser thereof; and (iv) to make payment or to discharge taxes or liens levied or placed upon or threatened against any goods covered by the Patents, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the

Administrative Agent in its sole discretion, and such payments made by the Administrative Agent to become the obligations of the Assignor to the Administrative Agent, due and payable immediately without demand. Such power, being coupled with an interest, is irrevocable.

(b) The Administrative Agent shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be enforceable, and, without limiting the generality of the foregoing, the Administrative Agent may, if any Event of Default shall have occurred and be continuing, immediately, without demand or performance and without other notice (except as set forth below) or demand whatsoever to the Assignor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, the Patents, and after deducting from the proceeds of sale or other disposition of the Patents all expenses (including all reasonable expenses for brokers' fees and legal services), shall collect the residue of such proceeds for the benefit of the Lenders, the Issuing Bank, the Swing Lender, and the Agents. Notice of any sale or other disposition of the Patents shall be given to the Assignor at least 10 days before the time of any intended public or private sale or other disposition of the Patents is to be made, which the Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Administrative Agent or any other Secured Party may, to the extent permissible under applicable law, purchase the whole or any part of the Patents sold, free from any right of redemption on the part of the Assignor, which right is hereby waived and released. The Assignor hereby agrees to execute any documents reasonably requested by the Administrative Agent in connection with any disposition hereunder.

(c) Upon the occurrence of the conditional assignment provided for herein, the Assignor shall have no right, title, or interest in or to any of the Patents and shall cease and desist in the use of the Patents, and of any colorable imitation thereof, and shall, upon written demand of the Administrative Agent, or pursuant to the terms of the Loan Documents, deliver to the Administrative Agent all goods covered by the Patents.

9. Termination of Agreement.

At such time as the Assignor shall completely satisfy all of the Secured Obligations and the Commitments shall have been terminated, the Administrative Agent shall execute and deliver to the Assignor all deeds, assignments, and other instruments as may be necessary or proper to re-vest in the Assignor title to the Patents, subject to any disposition thereof which may have been made by the Administrative Agent pursuant hereto.

10. Limitation of Liability and Indemnification.

The Assignor hereby releases the Administrative Agent and the Secured Parties from, and agrees to hold the Administrative Agent and the Secured Parties free and harmless from and against, any claims arising out of any action taken or omitted to be taken with respect to the Patents (except to the extent of the Administrative Agent's or any Secured Party's gross negligence or willful

misconduct), and the Assignor agrees to indemnify the Agents, the Lenders, the Issuing Bank and the Swing Lender from and against any and all claims, demands, suits, losses, damages or other expenses (including reasonable attorneys' fees) arising from or in any way related to the Patents, except to the extent arising from the gross negligence or willful misconduct of any such indemnified Person.

11. Waiver and Amendment.

(a) No course of dealing between the Assignor and the Agents, the Lenders, the Issuing Bank and/or the Swing Lender, nor any failure to exercise, nor any delay in exercising, on the part of the Agents, the Lenders, the Issuing Bank and/or the Swing Lender, 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.

(b) This Agreement is subject to modification only by a writing signed by the parties hereto.

12. Cumulative Rights.

All of the respective rights and remedies of the Agents, the Lenders, the Issuing Bank and the Swing Lender with respect to the Patents, whether established hereby or under the Loan Documents, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

13. Severability.

The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

14. Survival.

The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

15. Counterparts.

This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.



16. Choice of Law.

The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties shall be governed by the laws of the State of New York regardless of any choice of law or other provision that would result in the application of the laws of any other jurisdiction.

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

VALDUNES S.A.S.

By: 

Name: Jean Pierre AUCR

Title: President

Attest: Nancy E. Borys

Name: Nancy E. Borys

Title: Exec Assistant

FIRST UNION NATIONAL BANK, as  
Administrative Agent

By: 

Name: Kevin McCarthy

Title: Director

## SCHEDULE I

### United States Patents

Patent No.	Issue Date	Title
5,349,861	09/27/94	Device for automatically measuring the residual stresses in them of one wheel of a railway wheelset
5,363,702	11/15/94	Device for inspecting the rim of a railway wheel
5,503,019	04/02/96	Method and apparatus for ultrasonically inspecting the surface of the bore of a railroad wheel axle
5,527,079	06/18/96	Method for determining the outline of the axial section of a wheel and wheel made thereby
5,702,141	12/30/97	Polyblock railway wheel

## **SCHEDULE II**

### **Liens and Claims of Third Parties**

None known.

## EXHIBIT A

### Assignment of Patents

THIS ASSIGNMENT dated the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, from VALDUNES S.A.S., a company organized under the laws of France, (the "Assignor"), to FIRST UNION NATIONAL BANK, as Administrative Agent (the "Assignee"), recites and provides:

WHEREAS, the Assignor is owner of all right, title and interest in and to certain patents and patent applications identified in Schedule 1 appended hereto (the "Patents"); and

WHEREAS, the Assignee desires to obtain for the benefit of the Agents, the Lenders, the Issuing Bank and the Swing Lender (each as defined in the Conditional Assignment and Patent Security Agreement dated as of December 18, 1998 between the Assignor and the Assignee (the "Conditional Assignment")), all of the Assignor's right, title and interest in all such Patents.

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor does hereby sell, assign and transfer to the Assignee, its successors and assigns, the entire right, title and interest of the Assignor in and to the Patents and any and all licenses now or hereafter relating thereto and all royalty payments or rights to royalty payments now or hereafter arising therefrom.

The Assignor further agrees to execute such further instruments and documents and perform such further acts as the Assignee may deem necessary to secure to the Assignee the rights herein conveyed.

The Assignor warrants and represents that it is the sole owner of the interest conveyed hereunder and that such interest is not the subject of any prior transfer, assignment, lien, mortgage or other transaction which would affect the Assignor's ability to transfer such interest, except as permitted under the Conditional Assignment.

The Assignor further agrees to indemnify the Assignee and the Agents, the Lenders, the Issuing Bank and the Swing Lender for any breach of the above warranty.

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the day and year first above written.

VALDUNES S.A.S.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# SCHEDULE 1

## Patents

Country	Patent No.	Issue Date	Title