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Form PTO-1595 (Rev. 03/01)

AUG 13 2001

RECC



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

OMB No. 0859-0027 (exp. 5/31/2002)

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Tab settings

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

1. Name of conveying party(ies):
 Vulcan Engineering Co. **9-1301**

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

2. Name and address of receiving party(ies)
 Name: Dresdner Bank AG, New York and Grand Cayman Branches, as Agent
 Internal Address: _____

 Street Address: 75 Wall Street

 City: New York State: NY Zip: 10005

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

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: May 13, 1998

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)
See attached schedule

Additional numbers attached? Yes No **3584419**

6. Total number of applications and patents involved: 22

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Latham & Watkins
 Internal Address: _____

 Street Address: 885 3rd Avenue, 10 Fl.

 City: New York State: NY Zip: 10022

7. Total fee (37 CFR 3.41).....\$ 880.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:

 (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.
Rosalind Rodburg
 Name of Person Signing

Rosalind Rodburg 8/6/01
 Signature Date

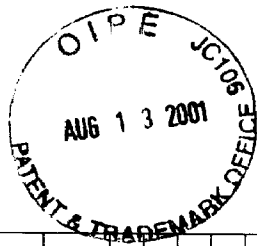
Total number of pages including cover sheet, attachments, and documents:

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

PATENT REEL: 012066 FRAME: 0650

880.00 UP
08/16/2001 MUELLER 00000130 3584419
01 FC-561

Vulcan Engineering Co. Patents



Owner	Patent No.	Description	Filing Date	Issue Date
Vulcan Engineering Co.	3,584,419	Apparatus & Method for Cleaning Hollow Castings		
Vulcan Engineering Co.	4,955,425	Casting Handling Apparatus		
Vulcan Engineering Co.	D232,577	Design for Jacket for Foundry Sand Mold		
Vulcan Engineering Co.	3,576,246	Foundry Mold Conveyor System		
Vulcan Engineering Co.	4,291,745	Foundry Mold Jacket		
Vulcan Engineering Co.	3,789,914	Foundry Mold Jacket & Weight Shifter		
Vulcan Engineering Co.	3,731,822	Foundry Mold Jacket & Weight Shifter		
Vulcan Engineering Co.	3,522,927	Gate for Foundry Sand Hopper		
Vulcan Engineering Co.	5,626,457	Grapple Impactor	11/20/95	5/6/97
Vulcan Engineering Co.	4,299,269	Handling System for Foundry Sand Molds		
Vulcan Engineering Co.	5,452,669	Incineration Apparatus		
Vulcan Engineering Co.	4,736,787	Lost Foam Handling System		
Vulcan Engineering Co.	4,572,762	Lost Foam Pattern Assembly Equipment		2/25/86
Vulcan Engineering Co.	4,593,739	Method & Apparatus for Packing Sand Around a Mold Pattern by Vibration		6/10/86
Vulcan Engineering Co.	4,600,046	Molding Apparatus & Process Incl. Sand Compaction System		7/15/86
Vulcan Engineering Co.	4,522,248	Segmented Mold Weigh & Combination w/Mold Jacket		
Vulcan Engineering Co.	4,766,771	Shaking Apparatus (CIP of 4,600,046)		8/30/88
Vulcan Engineering Co.	4,850,421	Shaking Apparatus (CIP of 4,766,771)		7/5/89
Vulcan Engineering Co.	5,271,450	Thermal Reclaim Method & Apparatus		
Vulcan Engineering Co.	4,347,876	Verticooler		
Vulcan Engineering Co.	4,152,258	Vibratory Lifter		
Vulcan Engineering Co.	1,761,021	Vibraclass		1993

BORROWER SECURITY AGREEMENT

THIS BORROWER SECURITY AGREEMENT, dated as of May 13, 1998, made by VULCAN ENGINEERING CO., an Alabama corporation ("**Borrower**"), in favor of DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES, as agent (in such capacity, "**Agent**") for the Lenders (as such term is defined in the Credit Agreement referred to below) under the Credit Agreement dated as of the date hereof (as amended, modified and supplemented from time to time, the "**Credit Agreement**") among Borrower, the Lenders and Agent. Agent, each Issuing Bank and the Lenders are collectively referred to herein as the "**Banks.**"

RECITALS

WHEREAS, the Lenders have severally agreed to make Loans to Borrower upon the terms and subject to the conditions set forth in the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make any Loans to Borrower that Borrower shall have executed and delivered this Agreement to Agent for the ratable benefit of the Banks to secure, among other things, payment and performance of all of Borrower's obligations and liabilities under the Credit Agreement.

AGREEMENT

NOW, THEREFORE, to induce (i) Agent and the other Banks to enter into the Credit Agreement, and (ii) the Lenders to make Loans to Borrower, Borrower hereby agrees with Agent, for the ratable benefit of the Banks, as follows:

1. *Defined Terms.*

1.1. *Definitions* (a) Unless otherwise defined in this Agreement, capitalized terms shall have the meanings given to them in the Credit Agreement.

(b) The following terms shall have the following meanings:

"**Accounts**" means "accounts" as defined in the UCC.

"**Agreement**" means this Borrower Security Agreement, as amended, modified and supplemented from time to time.

"**Bank Accounts**" means all right, title and interest of Borrower in and to all accounts of whatever nature maintained by or on behalf of Borrower with any bank or other financial institution.

"**Collateral**" is defined in Section 2 of this Agreement.

"**Collection Account**" means any collection account established by Agent, the Lockbox Bank or Borrower in accordance with the provisions of this Agreement or the Credit Agreement.

“Contracts” means all rights of Borrower under the Recapitalization Agreement and all agreements, instruments and documents to which Borrower is a party or under which Borrower has any right, title or interest or to which Borrower or any property of Borrower is subject, as the same may from time to time be amended, supplemented or otherwise modified, including (a) all rights of Borrower to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of Borrower to damages arising out of, or with respect to any breach or default in respect thereof, and (c) all rights of Borrower to exercise all remedies thereunder.

“Copyright Collateral” means the collective reference to (a) all Copyrights filed with the Register of Copyrights in the Library of Congress and, to the extent applicable, any similar office or agency of any state, territory or possession of the United States or any similar office or agency of any other countries or used by Borrower in the United States, any state, territory or possession thereof or any other country; (b) any renewals or extensions of any Copyright; (c) all income, royalties, damages and payments now and hereafter due or payable with respect to the Copyrights (including payments received under any licenses entered into in connection with the Copyrights and damages and payments for past or future infringements of the Copyrights); (d) all right, title and interest in all physical materials embodying works with respect to which Borrower owns or holds rights in any Copyrights; (e) the right to sue for past, present and future infringements of the Copyrights; (f) all rights corresponding to the Copyrights throughout the world; (g) the goodwill of Borrower’s business connected with and symbolized by the Copyrights; (h) any written agreement naming Borrower as licensor or licensee, granting any right in or to any Copyright or copyright registration in the United States or any foreign country; (i) any and all present and future agreements, whether written or oral (including assignments and consents), as any such agreements may from time to time be amended or supplemented, pursuant to which Borrower now has or hereafter acquires any direct or beneficial interest in any Copyright, or is a grantor of rights to any third party with respect to any Copyright, whether as a party to any such agreement or as an assignee of any rights under any such agreement; and (j) all products and Proceeds of the foregoing.

“Copyrights” means all copyrights, copyright registrations and copyright applications that are owned or made by Borrower, or in which Borrower acquires any right or interest, at any time prior to the termination of this Agreement.

“Documents” means all Instruments, files, records, ledger sheets, and documents covering or relating to any of the Accounts, Equipment, General Intangibles, Inventory, Copyright Collateral, Patent Collateral, Trademark Collateral and Proceeds.

“Equipment” means all equipment, furniture and furnishings, tools, accessories, parts and supplies of every kind and description, and all improvements, accessions or appurtenances thereto, including Fixtures, and all other tangible personal property whether or not similar to any of the foregoing items that are now or hereafter acquired by Borrower.

“Fixtures” means all items that would otherwise constitute items of Collateral, whether now owned or hereafter acquired, that become so related to particular real estate that an interest in them arises under any real estate law applicable thereto.

“General Intangibles” means “general intangibles” as defined in the UCC.

“Instrument” means “instrument” as defined in the UCC.

“Inventory” means “inventory” as defined in the UCC.

“Patent Collateral” means the collective reference to (a) all Patents filed with the U.S. Patent and Trademark Office or any similar office or agency of any other countries or used by Borrower in the United States, any state, territory or possession thereof or any other country; (b) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any Patents; (c) all income, royalties, damages and payments now and hereafter due or payable with respect to any Patents (including payments received under any licenses entered into in connection with any Patent and damages and payments for past or future infringements of any Patent); (d) the right to sue for past, present and future infringements of any Patent; (e) all rights corresponding to the Patents throughout the world, and (g) all products and Proceeds of the foregoing.

“Patents” means all of the patents and patent applications that are owned or made by Borrower, or in which Borrower acquires any right or interest, at any time prior to the termination of this Agreement.

“Proceeds” means any consideration received from the sale, exchange or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property that constitutes Collateral, and shall include all cash and negotiable instruments received or held on behalf of Agent pursuant to Section 5.3 of this Agreement.

“Trademark Collateral” means the collective reference to (a) all Trademarks filed with the U.S. Patent and Trademark Office or any similar office or agency of any other countries or used by Borrower in the United States, any state, territory or possession thereof or any other country; (b) all renewals and extensions of the Trademarks; (c) all income, royalties, damages and payments now and hereafter due or payable with respect to the Trademarks (including payments received under any licenses entered into in connection with the Trademarks and damages and payments for past or future infringements of the Trademarks); (d) the right to sue for past, present and future infringements of the Trademarks; (e) all rights corresponding to the Trademarks throughout the world; (f) the goodwill of Borrower’s business connected with and symbolized by the Trademarks; and (g) all products and Proceeds of the foregoing.

“Trademarks” means all the trademarks, trademark registrations, tradenames and trademark applications that are owned or made by Borrower, or in which Borrower acquires any right or interest, at any time prior to the termination of this Agreement.

“UCC” means the Uniform Commercial Code as in effect in the State of New York from time to time.

1.2. *Other Definitional Provisions.* The provisions of Section 1.2 of the Credit Agreement are incorporated herein by reference as if fully set forth herein.

2. *Grant of Security Interest.* As collateral security for the prompt and complete payment and performance when and as due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, Borrower hereby grants to Agent, for the ratable benefit of the Banks, a security interest in all of Borrower's right, title and interest in and to the following property now owned or at any time hereafter acquired by Borrower (collectively, the "**Collateral**"):

- (a) all Accounts;
- (b) all Bank Accounts;
- (c) all Contracts;
- (d) all Copyright Collateral;
- (e) all Documents;
- (f) all Equipment;
- (g) all Fixtures;
- (h) all General Intangibles;
- (i) all Instruments;
- (j) all Inventory;
- (k) all Patent Collateral;
- (l) all Trademark Collateral;
- (m) all books and records pertaining to the Collateral; and
- (n) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing.

3. *Representations and Warranties.* Borrower hereby represents and warrants that, on the Closing Date and on the date of each Borrowing under the Credit Agreement:

3.1. *Title; No Other Liens.* Except for the Liens granted to Agent for the ratable benefit of the Banks pursuant to the Credit Documents and other Permitted Liens, Borrower owns each item of the Collateral free and clear of any and all Liens or claims of others. To the knowledge of Borrower, no security agreement, financing statement, notice of consignment or other public notice with respect to all or any part of the Collateral is on file or of record in any

public office, except for such agreements, statements and notices that have been filed (i) in favor of Agent for the ratable benefit of the Banks pursuant to any Credit Document, (ii) to perfect Permitted Liens and (iii) for precautionary purposes.

3.2. *Perfected First Priority Liens.* The security interests granted pursuant to this Agreement (a) upon completion of the filings specified in *Schedule 3.2* of this Agreement and, with respect to Collateral acquired after the date hereof, any other actions required by Section 4.3 of this Agreement, shall constitute valid and duly perfected security interests in the Collateral in favor of Agent for the ratable benefit of the Banks, and (b) are prior to all other Liens other than Permitted Liens.

3.3. *Inventory and Equipment.* All of the Inventory and the Equipment, other than in-transit Inventory as such term is used in Section 7.3(e) of the Credit Agreement, are kept at the locations set forth on *Schedule 3.3* of this Agreement, as amended pursuant to Section 4.4 of this Agreement.

3.4. *Chief Executive Office.* Borrower's chief executive office and principal place of business are set forth on *Schedule 3.4* of this Agreement, as amended pursuant to Section 4.4 of this Agreement.

3.5. *Account Records.* The location or locations at which Borrower keeps its records concerning the Accounts are set forth on *Schedule 3.5* of this Agreement, as amended pursuant to Section 4.4 of this Agreement.

4. *Covenants.* Borrower covenants and agrees with Agent and the other Banks that, from and after the Closing Date until this Agreement is terminated and the security interests created hereby are released:

4.1. *Maintenance Of Insurance.* Borrower shall maintain insurance policies in accordance with the requirements of the Credit Agreement.

4.2. *Payment of Obligations.* Borrower shall pay, when due, all taxes lawfully levied or assessed against Borrower or any of the Collateral before any penalty or interest accrues thereon; provided, however, that, unless such taxes have become a federal tax or ERISA Lien on any of the assets of the Borrower, no such tax need be paid if the same is being contested, in good faith, by appropriate proceedings promptly instituted and diligently conducted and if an adequate reserve or other appropriate provision shall have been made therefore to the extent required by GAAP. Borrower shall not file or consent to the filing of any consolidated tax return with any Person other than any other Credit Party.

4.3. *Maintenance of Perfected Security Interest; Further Documentation.* (a) Except as otherwise permitted by the Credit Agreement, Borrower shall cause all filings and other actions listed in *Schedule 3.2* of the Agreement to be taken within five (5) days after the Closing Date, after which Agent, for the ratable benefit of the Banks, shall have a valid and duly perfected first priority security interest subject only to Permitted Liens in all Collateral described in such filings. Upon Borrower's receipt of any interest in any Collateral after the Closing Date,

Borrower shall promptly take all actions required to provide Agent, for the ratable benefit of the Banks, with a valid and duly perfected first priority security interest subject only to Permitted Liens in such Collateral. Borrower shall maintain the security interests created in favor of Agent, for the ratable benefit of the Banks, in the Collateral pursuant to this Agreement as valid and duly perfected first priority security interests subject only to Permitted Liens and shall defend such security interests against claims and demands of all Persons whomsoever.

(b) At any time and from time to time, upon the written request of Agent, and at the sole expense of Borrower, Borrower shall promptly and duly execute and deliver such further instruments and documents and take such further action as Agent may reasonably request for the purpose of obtaining or preserving all of the benefits, rights and powers granted to Agent and the other Banks pursuant to this Agreement.

4.4. *Changes in Locations, Name, etc.* Borrower shall not permit any of the changes described below to occur unless (x) at least 10 days prior to such change, Agent shall have received written notice of such change and received an updated copy of each schedule to this Agreement that is required to be updated as result of such change, and (y) all filings and notices have been made, in form and substance satisfactory to Agent, to maintain in favor of Agent for the ratable benefit of the Banks a valid and duly perfected first priority security interest in the Collateral, subject to no Liens other than Permitted Liens:

(a) permit any of the Inventory or Equipment, other than in-transit Inventory as such term is used in Section 7.3(e) of the Credit Agreement, to be kept at a location other than those set forth in *Schedule 3.3* of this Agreement, as amended from time to time as set forth above;

(b) change the location of its chief executive office and principal place of business from those set forth on *Schedule 3.4* of this Agreement, as amended from time to time as set forth above;

(c) change the location of the place where it keeps its records concerning the Accounts from those set forth on *Schedule 3.5* of this Agreement, as amended from time to time as set forth above; or

(d) change its name, identity or corporate structure to such an extent that any financing statement filed in favor of Agent in connection with this Agreement would become inaccurate or misleading.

4.5. *Further Identification of Collateral.* Borrower shall furnish to Agent and the other Banks from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Agent may reasonably request, all of which shall be in form and substance reasonably satisfactory to Agent.

4.6. *Notices.* Borrower shall advise Agent promptly, in reasonable detail, at its address set forth in the Credit Agreement of the placement or imposition of any Lien (other than Permitted Liens) on any Collateral.

4.7. *Indemnification.* Borrower agrees to pay, and to save Agent and the other Banks harmless from, any and all liabilities, costs and reasonable expenses (including reasonable legal fees and expenses) (a) with respect to, or resulting from, any delay by Borrower in paying, any and all excise, sales or other taxes that may be due and payable or determined to be due and payable by Borrower with respect to any of the Collateral, and (b) with respect to, or resulting from, any delay by Borrower in complying with any Requirement of Law applicable to any of the Collateral. The provisions of this Section 4.7 shall survive the termination of this Agreement.

4.8. *Use and Disposition of Collateral.* Borrower shall not (i) make or permit to be made an assignment, pledge or hypothecation of the Collateral, other than as permitted by the Credit Documents, and shall grant no other security interest in the Collateral (other than pursuant to the Credit Documents and except for any Permitted Liens), or (ii) make or permit to be made any transfer of the Collateral, and shall remain at all times in possession of the Collateral other than transfers to Agent pursuant to the provisions of this Agreement; provided, however, that notwithstanding the foregoing, Borrower may use and dispose of the Collateral in any lawful manner not in violation of the provisions of this Agreement, the Credit Agreement or any other Credit Document unless Agent shall, after an Event of Default has occurred and during the continuance thereof, notify Borrower not to sell, convey, lease, assign, transfer or otherwise dispose of any Collateral.

4.9. *Securing Consents.*

(a) Borrower shall as to Material Contracts with third parties, use its best efforts to secure and shall secure any consent that is required in connection with the grant to Agent of a valid and duly perfected first priority security interest in all Collateral and the foreclosure thereof provided that with respect to all other contracts with third parties, Borrower shall use reasonable efforts to secure such consent;

(b) Borrower shall secure any consent from any Subsidiary that is required to grant to Agent a valid and duly perfected first priority security unlimited in all Collateral and the foreclosure thereof.

5. *Provisions Relating to Accounts.*

5.1. *Borrower Remains Liable under Accounts.* Notwithstanding anything in this Agreement to the contrary, Borrower shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it under each Account, all in accordance with the terms of any contract or agreement giving rise to each such Account. Neither Agent nor any other Bank shall have any obligation or liability under any Account (or any agreement giving rise to an Account) by reason of or arising out of this Agreement or the receipt by Agent or any other Bank of any payment relating to such Account pursuant to this Agreement, nor shall Agent or any other Bank be obligated in any manner to perform any of the obligations of Borrower under or pursuant to any Account (or any agreement giving rise to an Account), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise to an Account), to present or file any

claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

5.2. *Analysis of Accounts.* Subject to the last sentence of this Section 5.2, agent or its designee shall have the right at any time to make test verifications of the Accounts in any manner and through any medium that it considers advisable, and Borrower shall furnish all such assistance and information as Agent or its designee may require in connection with such test verifications. At any time and from time to time upon Agent's request, but no more than three times in any one year, Borrower shall cause independent public accountants or others satisfactory to Agent to furnish to Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts, *provided, however,* that the costs of obtaining such reports (including the fees and expenses of such accountants or others) shall (other than during the continuance of an Event of Default) only be payable by the Borrower once per year and Borrower shall not pay more than \$10,000. Only upon the occurrence and during the continuance of an Event of Default, Agent in its own name or in the name of others may communicate with account debtors on the Accounts to verify with them to Agent's satisfaction the existence, amount and terms of any Accounts.

5.3. *Collections on Accounts.* (a) The Accounts will be collected in accordance with Section 4.7 of the Credit Agreement and the terms of Lockbox Agreements entered into by Borrower in accordance with Section 4.7 of the Credit Agreement.

(b) At Agent's request, Borrower shall deliver to Agent copies of, and after the occurrence and during the continuance of an Event of Default the originals of, all agreements, instruments and documents evidencing, and relating to, the transactions that gave rise to the Accounts (including all orders, invoices and shipping receipts).

5.4. *Covenants.* (a) At the reasonable request of Agent, Borrower shall represent to the Banks the amount owed and the account debtor with respect to any Account specified by Agent and the aggregate amount owing by all or certain of the account debtors with respect to the Accounts specified by Agent, and all such representations by Borrower shall be true and correct in all material respects.

(b) Without the prior written consent of Agent, Borrower shall not grant any extension of the time of payment of any Account or compromise, compound or settle any Account for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof, or allow any credit or discount whatsoever thereon, other than, prior to the occurrence of an Event of Default, extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business.

6. *Provisions Relating to Contracts.*

6.1. *Borrower Remains Liable under Contracts.* Notwithstanding anything in this Agreement to the contrary, Borrower shall remain liable under each Contract to observe and perform all the conditions and obligations to be observed and performed by it under such Contract, all in accordance with and pursuant to the terms and provisions of such Contract.

Neither Agent nor any other Bank shall have any obligation or liability under any Contract by reason of or arising out of this Agreement or the receipt by Agent or any such other Bank of any payment relating to such Contract pursuant to this Agreement, nor shall Agent or any other Bank be obligated in any manner to perform any of the obligations of Borrower under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

6.2. *Communication With Contracting Parties.* Upon the occurrence and during the continuance of an Event of Default, Agent in its own name or in the name of others may communicate with parties to any or all of the Contracts to verify with them to Agent's satisfaction the existence, amount and terms of such Contracts.

6.3. *Preservation of Contractual Rights.* Without the prior written consent of Agent, Borrower shall not terminate any Material Contract or waive any of its material rights thereunder, or grant any extension of the time of payment of any amount owing thereunder, or otherwise amend, modify or supplement any Material Contract, except as permitted under the Credit Agreement.

7. *Remedies*

7.1. *Notice to Account Debtors and Contract Parties.* Upon the request of Agent at any time after the occurrence and during the continuance of an Event of Default, Borrower shall notify account debtors on the Accounts and parties to the Contracts that the Accounts and the Contracts have been assigned to Agent, for the ratable benefit of the Banks, and upon the occurrence and during the continuance of an event which gives rise to the implementation of the Cash Dominion Procedures (a "Cash Dominion Event"), that payments in respect of such Accounts shall be made directly to the Collection Accounts, the Lockboxes or Agent, as directed by Agent.

7.2. *Proceeds to be Turned Over To Agent.* In addition to the rights of Agent and the other Banks specified in Section 5.3 of this Agreement, if a Cash Dominion Event shall have occurred and be continuing, all Proceeds received by Borrower consisting of cash, checks and Cash Equivalents shall be held by Borrower in trust for Agent and the other Banks, segregated from other funds of Borrower, and shall forthwith upon receipt by Borrower be turned over to Agent, the Cash Dominion Bank, if any, or the Lockbox Bank, as directed by Agent, in the exact form received by Borrower (duly indorsed by Borrower to Agent, the Cash Dominion Bank, if any, or the Lockbox Bank, as applicable, if required) and held by Agent, the Cash Dominion Bank, if any, or the Lockbox Bank in a Collection Account maintained at such time under the sole dominion and control of Agent, the Cash Dominion Bank, if any, or the Lockbox Bank and on terms and conditions satisfactory to Agent. All Proceeds held by Agent, the Cash Dominion Bank, if any, or the Lockbox Bank in a Collection Account (or by Borrower in trust for Agent and the other Banks) shall, subject to Section 7.3 of this Agreement, continue to be held as

collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 7.3 of this Agreement.

7.3. *Application of Proceeds.* If an Event of Default shall have occurred and be continuing, Agent may (and shall, if directed to by Required Lenders) apply the Proceeds of any Collateral to pay the Obligations that are then due and payable (whether at the stated maturity, by acceleration or otherwise) in accordance with Section 4.7 of the Credit Agreement.

7.4. *UCC Remedies.* If an Event of Default shall have occurred and be continuing, Agent on behalf of the other Banks may exercise, in addition to all other rights and remedies granted to Agent and the other Banks in this Agreement, any other Credit Document and any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC (whether or not the UCC applies to any part of the Collateral) and any other applicable laws. Without limiting the generality of the foregoing, Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon Borrower or any other Person (all and each of such demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral or any part thereof, or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of Agent or any other Bank or elsewhere upon such terms and conditions as it may deem advisable and at such commercially reasonable prices as it may reasonably deem best, for cash or on credit or for future delivery without assumption of any credit risk. Agent or any other Bank shall have the right upon any such public sale or sales and (to the extent permitted by law) upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of (to the extent permitted by law) any right or equity of redemption in Borrower, which right or equity is hereby (to the extent permitted by law) waived or released. Borrower further agrees, at Agent's request, to assemble the Collateral and make it available to Agent at places that Agent shall reasonably select, whether at Borrower's premises or elsewhere. Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses incurred therein or incidental to the care or safekeeping of any of the Collateral or reasonably relating to the Collateral or the rights of Agent and the other Banks under this Agreement (including reasonable attorneys' fees and disbursements) to the payment in whole or in part of the Obligations, as set forth above, and only after such application and after the payment by Agent of any other amount required by any provision of law (including Section 9-504(l)(c) of the UCC) need Agent account for the surplus, if any, to Borrower (which surplus, if any, shall be promptly delivered to Borrower). If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be in writing and deemed reasonable and proper if given at least 10 days before such sale or other disposition.

7.5. *Waiver; Deficiency.* Borrower waives and agrees not to assert any rights or privileges that it may acquire under Section 9-112 of the UCC. Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the reasonable fees and disbursements of any attorneys employed by Agent or any other Bank to collect such deficiency.

8. *Agent's Appointment as Attorney-in-Fact; Agent's Performance of Borrower's Obligations.*

8.1. *Powers.* Borrower hereby irrevocably constitutes and appoints Agent and any officer or agent of Agent (each, an "**Attorney**") 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 Borrower and in the name of Borrower or in its own name from time to time in Agent's discretion, for the purpose of carrying out the terms of this Agreement, to, upon the occurrence and during the continuance of an Event of Default (i) take any and all appropriate action and (ii) execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, Borrower hereby gives each Attorney the power and right, on behalf of Borrower, without notice to or assent by Borrower, to do the following upon the occurrence and during the continuance of an Event of Default:

(a) in the name of Borrower or its own name, or otherwise, to take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account, Instrument, General Intangible or Contract or with respect to any other Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Agent for the purpose of collecting any and all such moneys due under any Account, Instrument, General Intangible or Contract or with respect to any other Collateral whenever payable;

(b) in the case of any Copyright Collateral, Patent Collateral or Trademarks Collateral, to execute and deliver any and all agreements, instruments, documents, and papers as Agent may reasonably request to evidence the security interest of Agent, for the ratable benefit of the Banks, in such Collateral, and the goodwill and general intangibles of Borrower relating thereto or represented thereby;

(c) 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;

(d) to execute, in connection with any sale provided for in Section 8.4, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral or any part thereof; and

(e) (i) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to Agent or as Agent shall direct; (ii) to ask or demand for, collect, receive payment of and receipt for, any and

all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Contract or other Collateral; (iii) to sign and indorse 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 part of the Collateral; (iv) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to protect, preserve, or realize upon the Collateral or any part thereof and to enforce any other right in respect of any part of the Collateral; (v) to defend any suit, action or proceeding brought against Borrower with respect to any part of the Collateral; (vi) to settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, to give such discharges or releases as Agent may deem appropriate; (vii) to assign, license or sublicense any Copyright Collateral, Patent Collateral or Trademark Collateral, (along with the goodwill of the business to which any such Collateral pertains) throughout the world for such term or terms on such conditions, and in such manner, as Agent shall in its sole discretion determine; and (viii) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any part of the Collateral as fully and completely as though Agent were the absolute owner thereof for all purposes, and to do, at Agent's option and Borrower's expense, at any time, or from time to time, all acts and things that Agent deems necessary to protect, preserve or realize upon the Collateral or any part thereof and the security interests of Agent, for the ratable benefit of the Banks, and to effect the intent of this Agreement, all as fully and effectively as Borrower might do.

8.2. *Performance by an Attorney of Borrower's Obligations.* If Borrower fails to perform or comply with any of its agreements contained in this Agreement, at the option of Agent, any Attorney may, but without any obligation, perform or comply, or otherwise cause performance or compliance, with such agreement.

8.3. *Borrower's Reimbursement Obligation.* The reasonable expenses of Agent incurred in connection with any actions taken pursuant to this Section 8, together with interest thereon accruing from the 15th day following the date of demand at a rate per annum equal to the Default Rate on Base Rate Loans then in effect from the date payment is demanded by Agent to the date reimbursed by the Borrower, shall be payable by Borrower to Agent on demand.

8.4. *Ratification; Power Coupled With An Interest.* Borrower hereby ratifies all actions taken by each Attorney pursuant to this Section 8. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

9. *Duty of Agent.* Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as Agent deals with similar property for its own account. None of Agent, any other Bank or any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any of the Collateral upon the request of Borrower or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred

on Agent and the other Banks under this Agreement are solely to protect the interests of Agent and the other Banks in the Collateral and shall not impose any duty upon Agent or any other Bank to exercise any such powers. Agent and the other Banks shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to Borrower for any act or failure to act under this Agreement, except for the gross negligence or willful misconduct (as determined in a final non-appealable judgment by a court of competent jurisdiction) of the applicable Person.

10. *Execution of Financing Statements.* Pursuant to Section 9-402 of the UCC, Borrower authorizes Agent to file financing statements with respect to the Collateral without the signature of Borrower in such form and in such filing offices as Agent reasonably determines appropriate to perfect the security interests granted to Agent, for the ratable benefit of the Banks, pursuant to this Agreement. A carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

11. *Authority of Agent.* Borrower acknowledges that the rights and responsibilities of Agent under this Agreement with respect to any action taken by Agent or the exercise or nonexercise by Agent of any option, voting right, request, judgment or other right or remedy provided for in this Agreement or resulting or arising out of this Agreement shall, as between Agent and the other Banks, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them but, as between Agent and Borrower, Agent shall be conclusively presumed to be acting as agent for the Banks with full and valid authority so to act or refrain from acting.

12. *Notices.* All notices, requests and demands to or upon Agent or Borrower under this Agreement shall be given or made in accordance with the Credit Agreement.

13. *Termination and Release.* (a) This Agreement and the security interests created in favor of Agent for the ratable benefit of the Banks pursuant to this Agreement shall terminate when all of the Obligations have been fully and indefeasibly paid and when the Lenders have no further Commitments under the Credit Agreement, at which time Agent shall execute and deliver to Borrower, or to such person or persons as Borrower shall reasonably designate, Uniform Commercial Code termination statements and similar documents prepared by Borrower at Borrower's expense that Borrower shall reasonably request to evidence the release of the Liens and the security interests created by this Agreement with respect to the Collateral.

(b) All Collateral used, sold, transferred or otherwise disposed of by Borrower in accordance with the terms of the Credit Agreement and the other Credit Documents (including pursuant to a waiver or amendment of the terms of the Credit Agreement and the other applicable Credit Documents), shall be used, sold, transferred or otherwise disposed of free and clear of the Lien and the security interest created under this Agreement. In connection with any such sale, transfer or disposition of Collateral, (i) Agent shall deliver to Borrower, or to such person or persons as Borrower shall reasonably designate, Uniform Commercial Code termination statements and similar documents prepared by Borrower at Borrower's expense that Borrower

shall reasonably request to evidence the release of the Liens and security interests created under such Agreement with respect to such Collateral, and (ii) any representation, warranty or covenant contained in this Agreement relating to such Collateral shall no longer be deemed to be made with respect to such used, sold, transferred or otherwise disposed of Collateral.

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

15. *Amendments in Writing, No Waiver; Cumulative Remedies.*

15.1. *Amendments in Writing.* None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 11.11 of the Credit Agreement and pursuant to a written instrument executed by Borrower and Agent; provided, however, that the schedules to this Agreement shall be amended and updated by Borrower as and to the extent required by this Agreement.

15.2. *No Waiver by Course of Conduct.* Neither Agent nor any other Bank shall by any act (except by a written instrument pursuant to subsection 15.1 of this Agreement) or delay be deemed to have waived any right or remedy under this Agreement or to have acquiesced in any Default or Event of Default or in any breach of any of the terms and conditions of this Agreement. No failure to exercise, nor any delay in exercising, on the part of Agent or any other Bank, any right, power or privilege under this Agreement shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege under this Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by Agent or any other Bank of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy that Agent or such other Bank would otherwise have on any future occasion.

15.3. *Remedies Cumulative.* The rights and remedies provided to Agent and the other Banks in this Agreement and each other Credit Document are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

16. *Section Headings.* The section and subsection headings used in this Agreement are for convenience of reference only and are not to affect the construction of this Agreement or be taken into consideration in the interpretation of this Agreement.

17. *Successors and Assigns.* This Agreement shall be binding upon the successors and assigns of Borrower and shall inure to the benefit of Borrower, Agent and the other Banks and their successors and assigns: *provided, however,* that Borrower may not assign any of its rights, or delegate any of its duties or obligations, under this Agreement without the prior written consent of Agent and each other Bank.

18. **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY,**

AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PROVISIONS THEREOF.

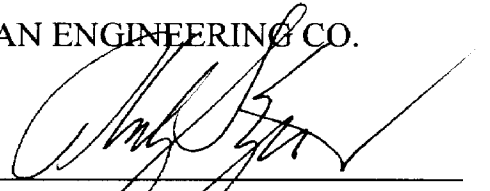
IN WITNESS WHEREOF, the undersigned has caused this Security Agreement to be duly executed and delivered as of the date first above written.

VULCAN ENGINEERING CO.

By: _____

Name:

Title:


PRESIDENT

Schedules:

- Schedule 3.2** Filings Required to Perfect Security Interests
- Schedule 3.3** Inventory and Equipment
- Schedule 3.4** Location of Chief Executive Office and Chief Place of Business
- Schedule 3.5** Location of Account Records

FILINGS REQUIRED TO PERFECT SECURITY INTERESTS

Alabama Secretary of State

INVENTORY AND EQUIPMENT LOCATIONS

INVENTORY

One Vulcan Drive
Helena, Alabama 35080

EQUIPMENT

The Company maintains, uses or stores equipment, or has maintained, used, or stored equipment in the last five years, at the following addresses:

One Vulcan Drive
Helena, Alabama 35080

**LOCATION OF CHIEF EXECUTIVE OFFICE
AND PRINCIPAL PLACE OF BUSINESS**

One Vulcan Drive
Helena, Alabama 35080

LOCATION OF ACCOUNT RECORDS

All account records are kept at Borrower's headquarters at:

One Vulcan Drive
Helena, Alabama 35080