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FORM PTO-1618A
Expires 06/30/99
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02-14-2000

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

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OPR/FINANCE

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
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

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/AKATA

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.)

02/11/2000 DNGUYEN 00000162 1045616

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 50.00 OP

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. 20531 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

TRADEMARK
REEL: 002021 FRAME: 0072

Domestic Representative Name and Address

Enter for the first Receiving Party only.

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="1845616"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1575011"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1444165"/>	<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.

James M. Rotch

Name of Person Signing

James M. Rotch

Signature

11/14/99

Date Signed

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of November 12, 1999, is entered into by and between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association ("**Lender**"), and READY METAL MANUFACTURING COMPANY, an Illinois corporation ("**Debtor**").

RECITALS:

WHEREAS, pursuant to a credit agreement dated on or about the date hereof (as amended, varied, novated or supplemented from time to time, the "**Credit Agreement**"), made between, *inter alia*, the Debtor and the Lender, the Lender has agreed to extend certain loans to the Borrowers (as defined therein) in aggregate amounts equal to the U.S. Dollar amounts specified therein (together, the "**Loans**") on the terms and conditions set out in the Credit Agreement; and

WHEREAS, in order to induce the Lender to enter into the Credit Agreement, the Debtor has agreed to enter into this Security Agreement.

NOW THEREFORE, for and in consideration of the Loans under the Credit Agreement and any other loan or advance (including any other loan or advance by renewal or extension) or other financial accommodation hereafter made or granted to the Borrowers by the Lender, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions and Interpretation of Agreement.** In addition to the terms defined elsewhere in this Agreement, the following terms shall have the meanings indicated for purposes of this Agreement (such meanings to be equally applicable to both the singular and plural forms of the terms defined). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement:

"**Agreement**" shall mean this Security Agreement, as it may be amended, modified or supplemented from time to time.

"**Assignee Deposit Account**" shall have the meaning given to such term in Section 6(c).

"**Collateral**" shall mean all property or rights in which a security interest is granted hereunder.

"**Contract Right**" shall mean any right of the Debtor to payment under a contract for the sale or lease of goods or the rendering of services, which right is at the time not yet earned by performance.

"**Default**" shall mean the occurrence of any of the following events: (i) a "Default" under Article VII of the Credit Agreement; (ii) failure to perform any agreement of the Debtor contained herein for more than 10 days after written notice thereof; or (iii) any warranty of the Debtor herein is untrue in any material respect.

“Equipment” shall mean all equipment of the Debtor of every description; all accessories, parts, accessions and other property at any time installed thereon or affixed thereto or used in connection therewith; and all substitutions for or replacements of any of the foregoing.

“Fixtures” shall mean all fixtures of the Debtor of every description; all accessories, parts, accessions and other property at any time installed thereon or affixed thereto or used in connection therewith; and all substitutions for or replacements of any of the foregoing.

“General Intangibles” shall mean all personal property of the Debtor (including things in action) other than Equipment, Inventory and other goods, Accounts, Contract Rights, chattel paper, documents, instruments and money. General Intangibles shall include, without limitation, inventions, designs, patents, patent applications, design patents, design patent applications, trademarks, trademark applications, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, customer lists, tax refund claims, rights to indemnification, rights under warranties, partnership interests and limited liability company interests.

“Inventory” shall mean all goods held by the Debtor for sale or lease, or leased by the Debtor, or furnished or to be furnished by the Debtor under any contract of service, or held by the Debtor as raw materials, work in process or materials used or consumed in a business; and all goods, the sale or lease of which has given rise to an Account, Contract Right, instrument or chattel paper, which are returned to the Debtor, repossessed by the Debtor, stopped in transit by the Debtor or which otherwise come into the possession of the Debtor.

“Liabilities” shall mean all obligations of the Debtor under any note, guaranty, letter of credit, any other agreement, document or instrument with or in favor of the Lender in connection with the Credit Agreement; all obligations of the Debtor hereunder; all obligations of the Debtor under the Credit Agreement, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due; and all other obligations of the Debtor to the Lender, its successors and assigns, in connection with the Credit Agreement, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due.

“Non-Goods Collateral” shall mean all Collateral other than Inventory, Fixtures, Equipment and other goods.

A Section or a Schedule is, unless otherwise stated, a reference to a section hereof or a schedule hereto, as the case may be. Section captions used in this Agreement are for convenience only, and shall not affect the construction of this Agreement. The words “hereof,” “herein,” “hereto” and “hereunder” and words of similar purport when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise defined therein, all terms defined in this Agreement shall have the defined meanings when used in any certificate or other

documents made or delivered pursuant hereto.

2. **Grant of Security Interest.** As security for the payment of all Liabilities, the Debtor hereby collaterally assigns to the Lender, and grants to the Lender a continuing security interest in, the following, whether now or hereafter existing or acquired:

- (a) all Inventory, Accounts, Contract Rights and documents of title of the Debtor;
- (b) all chattel paper and instruments evidencing any obligation to the Debtor for payment for goods sold or leased or for services rendered;
- (c) all General Intangibles of the Debtor;
- (d) all interest of the Debtor in any goods, the sale or lease of which shall have given or shall give rise to, and in all guaranties and other property securing the payment of or performance under, any Accounts, Contract Rights, General Intangibles or any such chattel paper or instruments;
- (e) all Fixtures and Equipment of the Debtor, including, but not limited to, the equipment and fixtures described on Schedule A;
- (f) any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or moneys of or in the name of the Debtor now or hereafter with the Lender and any and all property of every kind or description of or in the name of the Debtor now or hereafter, for any reason or purpose whatsoever, in the possession or control of, or in transit to, the Lender or any agent or bailee for the Lender;
- (g) to the extent related to the property described in clauses (a) through (f) above, all books, correspondence, credit files, records, invoices and other papers and documents, including, without limitation, to the extent so related, all tapes, cards, computer runs, computer programs and other papers and documents in the possession or control of the Debtor or any computer bureau from time to time acting for the Debtor; and, to the extent so related, all rights in, to and under all policies of insurance, including claims of rights to payments thereunder and proceeds therefrom, including any credit insurance;
- (h) all trucks, trailers and vehicles (collectively with other property normally maintained in more than one location "**Mobile Goods**"); and
- (i) all proceeds and products of any of the foregoing.

Notwithstanding the foregoing, Debtor does not grant Lender a collateral assignment in any right, title or interest it has in any design, patent, patent application, design patent, design patent application; trade name, trademark, service mark, state or federal trademark or service mark application or registration, trade dress, or the goodwill symbolized thereby; trade secrets; or copyrights ("**Intellectual Property**"). Debtor hereby conditionally assigns to the Lender, and grants to the Lender a continuing security

interest in, the Intellectual Property whether now or hereafter existing or acquired, and proceeds and products thereof.

3. **Warranties.** The Debtor warrants that:

- (a) except as otherwise provided in the Credit Agreement, no financing statement (other than any which may have been filed on behalf of the Lender) covering any of the Collateral is on file in any public office;
- (b) except in the case of certain General Intangibles, none of the Collateral is of a type where a security interest or lien may be filed under, or notice thereof given under, any federal statute;
- (c) the addresses of all property on which Fixtures are located are listed on Schedule B, together with the names of the record owners thereof;
- (d) all Equipment, except Mobile Goods, is located at its address indicated on the signature page hereof, unless another location is shown with respect to any Equipment in the description thereof on Schedule A, in which case such Equipment is located at such other location, and all Inventory is located at the addresses shown on Schedule C;
- (e) the Debtor's chief executive office is located at the address indicated on the signature page hereof, and the Debtor keeps its records concerning Non-Goods Collateral at such address;
- (f) the Debtor has no trade names, styles or doing business forms except as listed on Schedule D;
- (g) the Debtor is and will be the lawful owner of all Collateral, free of all liens and claims whatsoever, other than the security interest hereunder (except Liens permitted under the Credit Agreement), with full power and authority to execute this Agreement and perform the Debtor's obligations hereunder, and to subject the Collateral to the security interest hereunder; and
- (h) all information with respect to Collateral and Account Debtors set forth in any schedule, certificate or other writing at any time heretofore or hereafter furnished by the Debtor to the Lender, and all other written information heretofore or hereafter furnished by the Debtor to the Lender, is and will be true and correct as of the date furnished.

4. **Use of Equipment.** Until the occurrence and during the continuance of a Default and then unless otherwise directed by the Lender, the Debtor may have possession of all Equipment and Fixtures and use the same in any lawful manner not inconsistent with this Agreement or with any policy of insurance on any of the Equipment or Fixtures.

5. **Processing and Sale.** Until the occurrence and during the continuance of a Default and then unless the Lender shall notify the Debtor of the revocation of such power and authority, the Debtor:

- (a) may, in the ordinary course of its business, at its own expense, sell, lease or furnish under contracts of service any of the Inventory normally held by the Debtor for such purpose, and use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by the Debtor for such purpose;
- (b) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Non-Goods Collateral, including the taking of such action with respect to such collection as the Lender may reasonably request or, in the absence of such request, as the Debtor may deem advisable;
- (c) may grant, in the ordinary course of business, to any party obligated on or with respect to any of the Non-Goods Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of goods, the sale or lease of which shall have given rise to such Non-Goods Collateral; and
- (d) may sell, lease or otherwise dispose of any Collateral as permitted under the Credit Agreement.

6. **Appointment of the Lender as Attorney-in-Fact and Collections.**

- (a) The Debtor hereby irrevocably designates, makes, constitutes and appoints the Lender (and all Persons designated by the Lender), after the occurrence and during the continuance of a Default, as its true and lawful attorney-in-fact, and authorizes the Lender, in the Debtor's or the Lender's name, to: (i) demand payment of Accounts; (ii) enforce payment of Accounts by legal proceedings or otherwise; (iii) exercise all of the Debtor's rights and remedies with respect to proceedings brought to collect an Account; (iv) sell or assign any Account upon such terms, for such amount and at such time or times as the Lender deems advisable; (v) settle, adjust, compromise, extend or renew an Account; (vi) discharge and release any Account; (vii) take control in any manner of any item of payment or proceeds thereof; (viii) prepare, file and sign the Debtor's name on any proof of claim in bankruptcy or other similar document against an Account Debtor; (ix) endorse the Debtor's name upon any items of payment or proceeds thereof and deposit the same in the Lender's account on account of the Liabilities; (x) endorse the Debtor's name upon any chattel paper, document, instrument, invoice, or similar document or agreement relating to any Account or any goods pertaining thereto; (xi) sign the Debtor's name on any verification of Accounts and notices thereof to Account Debtors; (xii) notify the post office authorities to change the address for delivery of the Debtor's mail to an address designated by Lender, have access to any lock box or postal box into which any of the Debtor's mail is deposited, and open and dispose of all mail addressed to the Debtor and

(xiii) do all acts and things which are necessary, in the Lender's sole discretion, to fulfill the Debtor's obligations under this Agreement.

- (b) Upon request of the Lender, following or during the existence of a Default, the Debtor will forthwith, upon receipt, transmit and deliver to the Lender, in the form received, all cash, checks, drafts, chattel paper and other instruments or writings for the payment of money (properly endorsed, where required, so that such items may be collected by the Lender) which may be received by the Debtor at any time in full or partial payment or otherwise as proceeds of any of the Collateral. Any such items which may be held by the Debtor at the time of such request by the Lender or received by the Debtor thereafter will not be commingled with any other of its funds or property, but will be held separate and apart from its own funds or property and upon express trust for the Lender until delivery is made to the Lender.
- (c) All items or amounts which are received by the Lender pursuant to this Section 6 from the Debtor or any other party on account of partial or full payment or otherwise as proceeds of any of the Collateral shall be deposited to the credit of a deposit account (the "Assignee Deposit Account") of the Debtor with the Lender, as security for payment of the Liabilities. The Debtor shall have no right to withdraw any funds deposited in the Assignee Deposit Account. During the existence of a Default, the Lender may, from time to time, in its discretion, and shall upon request of the Debtor made not more than once in any week, apply all or any of the then balance, representing collected funds, in the Assignee Deposit Account toward payment of the Liabilities, whether or not then due, in such order of application as the Lender may determine, and the Lender may, from time to time, in its discretion, release all or any of such balance to the Debtor.

The Lender is authorized to endorse, in the name of the Debtor, any item, howsoever received by the Lender, representing any payment on or other proceeds of any of the Collateral.

7. **Application of Proceeds.** The proceeds of sale of Collateral sold pursuant to the terms of Section 6 hereof, whether or not deposited in the Assignee Deposit Account, shall be applied by the Lender as follows:

First: to payment of all of the reasonable costs and expenses of the Lender, including (i) the expenses of such sale, (ii) the out-of-pocket costs and expenses of the Lender and the reasonable fees and out-of-pocket costs and expenses of counsel employed by the Lender following a Default, (iii) the payment of all advances made by the Lender hereunder for the account of the Debtor, and (iv) the payment of all costs and expenses incurred by the Lender in connection with the administration and enforcement of this Agreement, to the extent that such advances, costs and expenses shall not have been reimbursed to the Lender and then to the Liabilities of all other obligations of the Debtor hereunder;

Second: the balance, if any, of such proceeds shall be held by the Lender until this

Agreement shall terminate pursuant to Section 16, and if any proceeds shall then remain, such proceeds shall be paid to the Debtor, its successors and assigns, or as a court of competent jurisdiction in any pending proceeding may direct.

8. **Certificates, Schedules and Reports.** The Debtor will furnish to the Lender:

- (a) from time to time, as the Lender may request, a schedule identifying each Account (not previously so identified) subject to the security interest hereunder, accompanied (if the Lender so requests) by a true and correct copy of the invoice evidencing such Account and by evidence of shipment or performance;
- (b) immediately upon learning of the occurrence of any event causing material loss or depreciation in value of Inventory or Equipment, written notice thereof, describing the same, and specifying the amount of such loss or depreciation; and
- (c) from time to time, as the Lender may request, such additional schedules and such certificates and reports respecting all or any of the Collateral at the time subject to the security interest hereunder and the items or amounts received by the Debtor in full or partial payment or otherwise as proceeds of any of the Collateral, all to such extent as the Lender may request.

Each of the foregoing schedules, certificates, reports and notices shall be executed by a duly authorized officer of the Debtor and shall be in such form and detail as the Lender may specify.

9. **Agreements of the Debtor.** The Debtor:

- (a) will, upon request of the Lender, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by the Lender) and do such other acts and things, all as the Lender may from time to time request, to establish and maintain a valid security interest in the Collateral (free of all other liens, claims and rights of third parties whatsoever, except as otherwise disclosed in the Credit Agreement) to secure the payment of the Liabilities, including, without limitation, depositing with the Lender any certificate of title issuable with respect to any of the Equipment and noting thereon the security interest hereunder. The Debtor agrees that any carbon, photographic or other reproduction of this Agreement or of any such financing statement shall be sufficient for filing as a financing statement;
- (b) will keep all Inventory at the addresses shown on Schedule C, unless the Lender shall otherwise consent in writing;
- (c) will keep its records concerning Non-Goods Collateral at its address shown on the signature page hereof unless the Lender shall otherwise consent in writing, which records will be of such character as will enable the Lender or its designees to determine at any time the status thereof;

- (d) will keep all Equipment, except Mobile Goods, at its address shown on the signature page hereof (or if any other location is shown with respect to any Equipment in the description thereof on Schedule A, then at such other location), unless the Lender shall otherwise consent in writing; will not use any Mobile Goods outside the territorial limits of the United States, unless the Lender shall otherwise consent in writing;
- (e) will keep all Fixtures at the respective addresses shown on Schedule B, unless the Lender shall be given 30-days prior notice in writing;
- (f) will not, unless the Lender shall otherwise consent in writing, change the location of its chief executive office or its chief place of business;
- (g) will furnish the Lender not less than 30 days written notice prior to changing its name or adopting or changing any trade name, style or doing business form;
- (h) will furnish the Lender such information concerning the Debtor, the Collateral and the Account Debtors as the Lender may from time to time reasonably request;
- (i) will permit the Lender and its agents or its designees, from time to time on reasonable notice, to inspect and evaluate the Collateral or any thereof, and to inspect, audit and make copies of and extracts from all records and all other papers in the possession of the Debtor, and will, upon request of the Lender, following Default, deliver to the Lender all of such records and papers which pertain to the Collateral and Account Debtors;
- (j) will, upon request of the Lender, stamp on its records concerning the Collateral a notation, in form satisfactory to the Lender, of the security interest of the Lender hereunder;
- (k) except as otherwise provided in the Credit Agreement and except for the sale or lease of Inventory in the ordinary course of its business (which does not include a transfer in partial or total satisfaction of Indebtedness), will not, unless the Lender shall otherwise consent in writing, sell, lease, transfer, assign or otherwise dispose of, or create or permit to exist any lien on or security interest in, any Collateral other than obsolete Equipment to or in favor of anyone other than the Lender;
- (l) will at all times keep all Inventory, Equipment and Fixtures insured against loss, damage, theft and other risks, in such amounts and with such companies and under such policies and in such form, all as shall be reasonably satisfactory to the Lender, which policies shall provide that loss thereunder shall be payable to the Lender as its interest may appear (and the Lender may apply any proceeds of such insurance which may be received by it toward payment of Liabilities, whether or not due, in such order of application as the Lender may determine), and such certificates thereof shall, if the Lender so requests, be deposited with the Lender;

- (m) will at all times keep all Equipment and Fixtures in good order and repair, excepting any loss or damage or destruction which is fully covered by proceeds of insurance;
- (n) will reimburse the Lender upon demand for all costs and expenses, including fees of attorneys (who may be employees of the Lender) and legal expenses, incurred by the Lender in seeking to collect or enforce any rights under the Collateral and, in case of Default, in seeking to collect the Liabilities and to enforce rights hereunder, including expenses of any repairs to any realty or other property to which any of the Equipment or Fixtures may be affixed or be a part;
- (o) will reimburse the Lender upon demand for all reasonable costs and expenses incurred by the Lender, its agents or its designees in the course of the evaluations, audits, extractions and other activities referred to in clause (j) of this Section 9;
- (p) will pay, when due, all taxes, assessments, governmental charges and other similar charges levied against any of the Collateral, except and so long as the Debtor is contesting such taxes, assessments or charges in good faith and by appropriate proceedings and the Debtor has set aside on its books such reserves or other appropriate provisions therefor as may be required by generally accepted accounting principles;
- (q) will, if at any time prior to the occurrence of a Default, any Account Debtor returns any Inventory to the Debtor with a value in excess of Five Hundred Thousand Dollars (\$500,000), promptly determine the reason for such return and, if the Debtor accepts such return, issue a credit memorandum (with a copy to be sent to the Lender if the Lender has so requested) in the appropriate amount to such Account Debtor. After the occurrence of a Default, the Debtor shall hold all returned Inventory in trust for the Lender, shall segregate all returned Inventory from all other property of the Debtor or in its possession and shall conspicuously, if possible, label said returned Inventory as the property of the Lender. The Debtor shall, in all cases, immediately notify the Lender of the return of any Inventory with a value in excess of Five Hundred Thousand Dollars (\$500,000), specifying the reason for such return and the location and condition of the returned Inventory;
- (r) will not during any Default, without the Lender's prior written consent, grant any extension of the time for payment of any of the Accounts, compromise, compound or settle the same 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 in each case, in the ordinary course of business of the Debtor; and
- (s) The Debtor will regularly update, and provide Lender with such updated, schedules and exhibits hereto, so that the Schedules and Exhibits shall reflect the current status at all times.

The Lender may from time to time, at its option, perform any agreement of the Debtor hereunder which the Debtor shall fail to perform and take any other action which the Lender deems necessary for the maintenance or preservation of any of the Collateral or its interest therein, and the Debtor agrees to forthwith reimburse the Lender for all expenses of the Lender in connection with the foregoing, together with interest thereon from the date incurred until reimbursed by the Debtor at the applicable rate set forth in Section 2.10 of the Credit Agreement.

10. **Safekeeping of Inventory; Inventory Covenants.** The Lender shall not be responsible for (a) the safekeeping of the Inventory; (b) any loss or damage thereto or destruction thereof occurring or arising in any manner or fashion from any cause, (c) any diminution in the value of Inventory or (d) any act or default of any carrier, warehouseman, bailee or forwarding agency or any other Person in any way dealing with or handling the Inventory, except to the extent that the Debtor incurs any loss, cost, claim or damage from any of the foregoing as a result of the gross negligence or willful misconduct of the Lender. All risk of loss, damage, distribution or diminution in value of the Inventory shall, except as noted in the previous sentence, be borne by the Debtor.
11. **Default and Remedies.** Whenever a Default shall be existing, (a) all Liabilities may (notwithstanding any provisions thereof), at the option of the Lender, and without demand or notice of any kind, be declared, and thereupon immediately shall become, due and payable; (b) the Lender may, from time to time, without demand or notice of any kind, appropriate and apply toward the payment of such of the Liabilities, and in such order of application, as the Lender may from time to time elect, any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or moneys of or in the name of the Debtor then or thereafter with the Lender; and (c) the Lender may exercise from time to time any rights and remedies available to it under applicable law. The Debtor agrees, in case of Default, to assemble, at its expense, all Inventory, Equipment and Fixtures at a convenient place acceptable to the Lender.

Without limiting the foregoing, upon Default the Lender may, to the fullest extent permitted by applicable law, without notice, hearing or process of law of any kind:

- (a) enter upon any premises where any of the Collateral may be located and take possession of and remove such Collateral;
- (b) use, license or, to the extent permitted by any applicable license, sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any General Intangibles throughout the world for such term or terms, on such conditions, and in such manner, as the Lender shall in its sole discretion determine, without compensation to the Debtor;
- (c) sell any or all of the Collateral, free of all rights and claims of the Debtor therein and thereto, at any public or private sale; and
- (d) bid for and purchase any or all of such Collateral at any such sale.

The Debtor hereby expressly waives, except for notice of a Uniform Commercial Code

sale or other sale of Collateral, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Lender of any of its rights and remedies upon Default. Any notification of intended disposition of any of the Collateral required by law shall be deemed reasonable and properly given if given at least 10 days before such disposition. Any proceeds of any disposition by the Lender of any of the Collateral may be applied by the Lender to the payment of expenses in connection with the Collateral, including reasonable fees of attorneys (who may be employees of the Lender) and legal expenses, and any balance of such proceeds may be applied by the Lender toward the payment of such of the Liabilities, and in such order of application, as the Lender may from time to time elect.

In the event of the occurrence and during the continuation of a Default, the Debtor hereby authorizes and empowers the Lender to make, constitute and appoint any officer or agent of the Lender as the Lender in its sole discretion may select as the Debtor's true and lawful attorney-in-fact, with the power to endorse the Debtor's name on all applications, documents, papers and instruments necessary for the Lender to use any General Intangibles or to grant or issue any exclusive or nonexclusive general, special or other license or sublicense to any party or necessary for the Lender to assign, convey or otherwise transfer title in or dispose of any of the Collateral to any party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is irrevocable and is coupled with an interest.

12. **Custody and Preservation of Collateral.** The Lender shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as the Debtor requests in writing, but failure of the Lender to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of the Lender to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Debtor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.
13. **Indemnity.** The Debtor shall indemnify, defend and hold harmless the Lender, its agents, officers and employees, and every attorney appointed pursuant to this Agreement (a) in respect of all liabilities and expenses incurred by them in good faith in the execution or purported execution of any rights, powers or discretions vested in them pursuant to this Agreement, and (b) for any losses arising in connection with the exercise or purported exercise of any of their rights, powers and discretions hereunder except that the Lender, its agents, officers and employees and each attorney will be liable for any liabilities, expenses and losses which arise as a result of their own willful misconduct or gross negligence.
14. **Notices.**
 - (a) Except as otherwise permitted in the Credit Agreement with respect to borrowing notices, all notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, facsimile transmission or similar writing) and shall be given to such party: (a) in the case of the Debtor or

the Lender, at its address or facsimile number set forth in the signature page hereof, (b) in the case of any Lender, at its address or facsimile number set forth in the Credit Agreement or (c) in the case of any party, at such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Lender and the Debtor in accordance with the provisions of this Section 14(a). Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, or (iii) if given by any other means, when delivered (or, in the case of electronic transmission, received) at the address specified in this Section.

(b) The Debtor and the Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto;

15. **Waiver and Amendments.** No failure or delay on the part of the Lender in the exercise of any power, right or remedy, and no course of dealing between the Debtor and the Lender, shall operate as a waiver of such power, right or remedy, nor shall any single or partial exercise of any power, right or remedy preclude other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided for herein are cumulative and not exclusive of any remedies which may be available to the Lender at law or in equity. No notice to or demand on the Debtor not required hereunder shall in any event entitle the Debtor to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Lender to any other or further action in any circumstances without notice or demand. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed and delivered by the Lender. Any waiver of any provision of this Agreement, and any consent to any departure by the Debtor from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which given.

16. **Termination of Agreement.** The Debtor agrees that its security hereunder shall, unless sooner terminated by Lender (notwithstanding, without limitation, that at any time or from time to time all Liabilities may have been paid in full) terminate only when (a) the Liabilities (including, without limitation, any and all extensions or renewals of any thereof, any and all interest on any thereof, and any and all expenses incurred by the Lender in seeking to collect any of the Liabilities and to collect or enforce any rights under the Collateral) have been satisfied in full and all other obligations of the Debtor hereunder and thereunder have been fully performed, or (b) such Collateral is sold or otherwise transferred by the Debtor in accordance with the express terms hereof or of the Credit Agreement, at which time the Lender shall reassign and redeliver (or cause to be reassigned and redelivered) to the Debtor, or to such Person or Persons as such Debtor shall designate, such of the Collateral (if any) secured hereunder by the Debtor as shall not have been sold or otherwise applied by the Lender pursuant to the terms hereof and shall still be held by it hereunder, together with appropriate instruments of reassignment and release. Any such reassignment pursuant to the foregoing provisions shall be without

recourse upon, or representation or warranty by, the Lender.

17. **Severability.** Any provision in this Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable.
18. **Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Debtor and the Lender and their respective successors and assigns, except that (a) the Debtor shall not have the right to assign its rights or obligations under this Agreement and (b) any assignment by the Lender must be made in compliance of the Credit Agreement.
19. **Solvency.** Notwithstanding any other terms of this Agreement, if it is ever determined that any amounts owed by the Debtor to the Lender under this Agreement would render the Debtor insolvent, the Lender hereby acknowledges and agrees that the Liabilities owed by the Debtor hereunder would be reduced and limited accordingly, such that the Debtor shall be deemed solvent at all times.
20. **CHOICE OF LAW.** THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING, WITHOUT LIMITATION, 735 ILCS SECTION 105/5-1 ET SEQ, BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.
21. **WAIVER OF JURY TRIAL.** THE DEBTOR AND THE LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER.
22. **CONSENT TO JURISDICTION.** THE DEBTOR HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE DEBTOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE LENDER TO BRING PROCEEDINGS AGAINST THE DEBTOR IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL

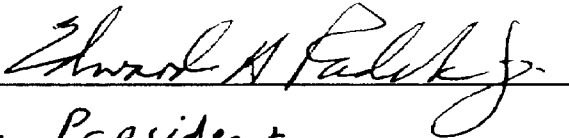
PROCEEDING BY THE DEBTOR AGAINST THE LENDER OR ANY AFFILIATE OF THE LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN CHICAGO, ILLINOIS.

23. **No Immunity.** The Debtor agrees that should the Lender bring any judicial proceedings in relation to any matter arising under this Agreement, no immunity from such judicial proceedings, from the attachment of its properties or from execution of any judgment shall be claimed by or on behalf of the Debtor or with respect to its properties, any such immunity hereby being irrevocably waived by the Debtor.
24. **Counterparts.** This Agreement may be executed in any numbers of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Debtor and the Lender.

*** [REST OF PAGE LEFT INTENTIONALLY BLANK]***

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

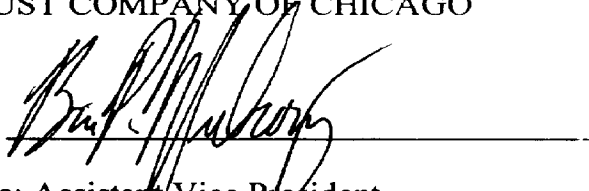
READY METAL MANUFACTURING
COMPANY

By: 
Title: President

4500 West 47th Street
Chicago, Illinois 60632

Attention: Thomas Matczak
Telephone: (773) 376-9700
FAX: (773) 376-7507

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO

By: 
Title: Assistant Vice President

120 South LaSalle Street
Chicago, Illinois 60603-3400

Attention: Brian P. Mulroney
Telephone: (312) 661-0799
FAX: (312) 661-0761