

09-27-2000

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027



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

101473005

9-13-00

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

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

Submission Type

Conveyance Type

Resubmission (Non-Recordation)
Document ID #

Security Agreement Nunc Pro Tunc Assignment

Correction of PTO Error
Reel # Frame #

Merger
 Change of Name
Effective Date
Month Day Year
 08 08 2000

Corrective Document
Reel # Frame #

Other

Conveying Party

Mark if additional names of conveying parties attached

Effective

Name

Month Day Year
 08 08 2000

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of conveying parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

Individual General Partnership Limited Partnership 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).
 Corporation Association

Other

Citizenship/State of Incorporation/Organization

09/26/2000 JALLANE 00000016 429452

FOR OFFICE USE ONLY

01 FC:481
02 FC:482

40.00 OP
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. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

Domestic Representatives 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

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"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="429452"/>	<input type="text" value="430819"/>	<input type="text" value="238512"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties Enter the total number of properties involved.

#

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

\$

Method Enclosed Deposit Account

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

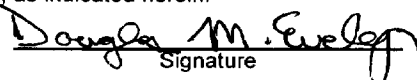
Deposit Account Number: #

Authorization to charge additional 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.

Douglas M. Eveleigh
Name of Person Signing


Signature

September 13, 2000
Date Signed

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") dated as of August 8, 2000, is among METALTEC HOLDING CORP. (the "Company"); the other persons or entities which are listed on the signature pages hereof as debtors or which from time to time become parties hereto as debtors (collectively, including the Company, the "Debtors" and individually each a "Debtor"); and LASALLE BANK NATIONAL ASSOCIATION in its capacity as agent for the Lender Parties referred to below (in such capacity, the "Agent").

W I T N E S S E T H:

WHEREAS, the Company has entered into a Credit Agreement dated as of August 8, 2000 (as amended or otherwise modified from time to time, the "Credit Agreement") with various financial institutions and the Agent, pursuant to which such financial institutions have agreed to make loans to, and issue or participate in letters of credit for the account of, the Borrower;

WHEREAS, each of the Debtors (other than the Borrower) has executed and delivered a guaranty (as amended or otherwise modified from time to time, the "Guaranty") of certain obligations of the Borrower, including all obligations of the Borrower under the Credit Agreement; and

WHEREAS, the obligations of the Borrower under the Credit Agreement and the obligations of each other Debtor under the Guaranty are to be secured pursuant to this Agreement;

NOW, THEREFORE, for and in consideration of any loan, advance or other financial accommodation heretofore or hereafter made to the Borrower under or in connection with the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. When used herein, (a) the terms Account, Account Debtor, Certificated Security, Chattel Paper, Commodity Account, Commodity Contract, Deposit Account, Document, Equipment, Financial Asset, Fixture, Goods, Instrument, Inventory, Investment Property, Security, Security Entitlement and Uncertificated Security have the respective meanings assigned thereto in the UCC (as defined below); (b) capitalized terms which are not otherwise defined have the respective meanings assigned thereto in the Credit

Agreement; and (c) the following terms have the following meanings (such definitions to be applicable to both the singular and plural forms of such terms):

Assignee Deposit Account - see Section 4.

Collateral means, with respect to any Debtor, all property and rights of such Debtor in which a security interest is granted hereunder.

Computer Hardware and Software means, with respect to any Debtor, all of such Debtor's rights (including rights as licensee and lessee) with respect to (i) computer and other electronic data processing hardware, including all integrated computer systems, central processing units, memory units, display terminals, printers, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories, peripheral devices and other related computer hardware; (ii) all software programs designed for use on the computers and electronic data processing hardware described in clause (i) above, including, without limitation, all operating system software, utilities and application programs in whatsoever form (source code and object code in magnetic tape, disk or hard copy format or any other listings whatsoever); (iii) any firmware associated with any of the foregoing; and (iv) any documentation for hardware, software and firmware described in clauses (i), (ii) and (iii) above, including, without limitation flow charts, logic diagrams, manuals, specifications, training materials, charts and pseudo codes.

Default means the occurrence of: (a) any Unmatured Event of Default under Section 12.1.1 or 12.1.4 of the Credit Agreement; or (b) any Event of Default.

General Intangibles means, with respect to any Debtor, all of such Debtor's "general intangibles" as defined in the UCC and, in any event, includes (without limitation) all of such Debtor's licenses, franchises, tax refund claims, guarantee claims, security interests and rights to indemnification.

Intellectual Property means all past, present and future: trade secrets and other proprietary information; customer lists; trademarks, service marks, business names, trade names, designs, logos, indicia and other source and/or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights (including, without limitation, copyrights for computer programs) and copyright registrations or applications for registrations which have heretofore been or may hereafter be issued throughout the world and all tangible property embodying the copyrights; inventions (whether or not patentable); patent applications and patents; industrial designs, industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom;

mask works; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, source codes, object codes and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all past, present and future infringements of any of the foregoing; and all common law and other rights throughout the world in and to all of the foregoing.

Lender Party means each Bank under and as defined in the Credit Agreement and any Affiliate of such a Bank which is a party to a Hedging Agreement with the Borrower.

Liabilities means, as to each Debtor, all obligations (monetary or otherwise) of such Debtor under the Credit Agreement, any Note, the Guaranty, any other Loan Document or any other document or instrument executed in connection therewith and, in the case of the Borrower, all Hedging Obligations owed to any Lender Party, in each case howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due.

Non-Tangible Collateral means, with respect to any Debtor, collectively, such Debtor's Accounts and General Intangibles.

UCC means the Uniform Commercial Code as in effect from time to time in the State of Illinois; provided that, as used in Section 8 hereof, "UCC" shall mean the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction.

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

All of such Debtor's:

- (i) Accounts;
- (ii) Chattel Paper;
- (iii) Computer Hardware and Software and all rights with respect thereto, including, without limitation, any and all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;

- (iv) Deposit Accounts;
- (v) Documents;
- (vi) Financial Assets;
- (vii) General Intangibles;
- (viii) Goods (including all of its Equipment, Fixtures and Inventory), and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
- (ix) Instruments;
- (x) Intellectual Property;
- (xi) Investment Property (including, without limitation, Commodity Accounts, Commodity Contracts, Securities (whether Certificated Securities or Uncertificated Securities), Security Entitlements and Securities Accounts);
- (xii) money (of every jurisdiction whatsoever); and
- (xiii) to the extent not included in the foregoing, other personal property of any kind or description;

together with all books, records, writings, data bases, information and other property relating to, used or useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all proceeds, products, offspring, rents, issues, profits and returns of and from any of the foregoing; provided that to the extent that the grant by any Debtor of a security interest pursuant to this Agreement in its right, title and interest (A) in any General Intangible or Intellectual Property (i) is prohibited by any contract to which such Debtor is a party without the consent of any other party to such contract, (ii) would give any other party to such contract the right to terminate its obligations thereunder or (iii) is permitted with consent if all necessary consents to such grant of a security interest have not been obtained from the other parties thereto (it being understood that the foregoing shall not be deemed to obligate such Debtor to obtain such consent), or (B) in any Computer Hardware or Software, Equipment or Fixtures to the extent that any such property is encumbered by a Lien permitted under Section 10.8(d) of the Credit Agreement and at least one of the criteria set forth in clauses (A)(i) through (iii)

above is met, then a security interest in such right, title and interest shall not be granted pursuant to this Agreement; provided, further that the foregoing limitation shall apply to any property of any of the types described in clause (B) only so long as such property is encumbered by a Lien permitted under Section 10.8(d) of the Credit Agreement, and any such property shall automatically become subject to the security interest created under this Agreement immediately upon the extinguishment or release of any such Lien; and provided further that the foregoing limitation shall not affect, limit, restrict or impair the grant by any Debtor of a security interest pursuant to this Agreement in any Account or any money or other amounts due or to become due under any such contracts.

3. Warranties. Each Debtor warrants that: (i) no financing statement (other than any which may have been filed on behalf of the Agent or in connection with liens expressly permitted by the Credit Agreement (“Permitted Liens”)) covering any of the Collateral is on file in any public office; (ii) such Debtor is and will be the lawful owner of all Collateral, free of all liens and claims whatsoever, other than the security interest hereunder and Permitted Liens, with full power and authority to execute this Agreement and perform such Debtor’s obligations hereunder, and to subject the Collateral to the security interest hereunder; (iii) 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 such Debtor to the Agent or any Lender Party is and will be true and correct as of the date furnished; (iv) such Debtor’s true legal name as registered in the jurisdiction in which such debtor is organized or incorporated, state of organization or incorporation, organizational identification number as designated by the state of its incorporation or organization, chief executive office and principal place of business are as set forth on Schedule I hereto (and such Debtor has not maintained its chief executive office and principal place of business at any other location at any time after January 1, 1999); (v) each other location where such Debtor maintains a place of business or keeps Goods is set forth on Schedule II hereto; (vi) except as set forth on Schedule III hereto, such Debtor is not now known and during the five years preceding the date hereof has not previously been known by any trade name; (vii) except as set forth on Schedule III hereto, during the five years preceding the date hereof such Debtor has not been known by any legal name different from the one set forth on the signature pages of this Agreement nor has such Debtor been the subject of any merger or other corporate reorganization; (viii) Schedule IV hereto contains a complete listing of all of such Debtor’s Intellectual Property which is subject to registration statutes; (ix) such Debtor is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation; (x) the execution and delivery of this Agreement and the performance by such Debtor of its obligations hereunder are within such Debtor’s corporate powers, have been duly authorized by all necessary corporate action, have received all necessary governmental approval (if any shall be required), and do not and will not contravene or conflict with any provision of law or of the charter or by-laws of such Debtor or of any agreement, indenture, instrument or

other document, or any judgment, order or decree, which is binding upon such Debtor; (xi) this Agreement is a legal, valid and binding obligation of such Debtor, enforceable in accordance with its terms, except that the enforceability of this Agreement may be limited by bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); and (xii) such Debtor is in compliance with the requirements of all applicable laws (including the provisions of the Fair Labor Standards Act), rules, regulations and orders of every governmental authority, the non-compliance with which would reasonably be expected to result in a Material Adverse Effect.

4. Collections, etc. Until such time during the existence of an Event of Default as the Agent shall notify such Debtor of the revocation of such power and authority, each 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 such Debtor for such purpose, use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by such Debtor for such purpose, and use, in the ordinary course of its business (but subject to the terms of the Credit Agreement), the cash proceeds of Collateral and other money which constitutes Collateral, (b) will, at its own expense, endeavor to collect, as and when due, all amounts due under any of the Non-Tangible Collateral, including the taking of such action with respect to such collection as the Agent may reasonably request or, in the absence of such request, as such Debtor may deem advisable, and (c) may grant, in the ordinary course of business, to any party obligated on any of the Non-Tangible 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-Tangible Collateral. The Agent, however, may, at any time that an Event of Default exists, whether before or after any revocation of such power and authority or the maturity of any of the Liabilities, notify any parties obligated on any of the Non-Tangible Collateral to make payment to the Agent of any amounts due or to become due thereunder and enforce collection of any of the Non-Tangible Collateral by suit or otherwise and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon the request of the Agent during the existence of an Event of Default, each Debtor will, at its own expense, notify any or all parties obligated on any of the Non-Tangible Collateral to make payment to the Agent of any amounts due or to become due thereunder.

Upon request by the Agent during the existence of an Event of Default, each Debtor will forthwith, upon receipt, transmit and deliver to the Agent, in the form received, all cash, checks, drafts and other instruments or writings for the payment of money (properly endorsed, where required, so that such items may be collected by the Agent) which may be received by such

Debtor at any time in full or partial payment or otherwise as proceeds of any of the Collateral. Except as the Agent may otherwise consent in writing, any such items which may be so received by any Debtor 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 Agent until delivery is made to the Agent. Each Debtor will comply with the terms and conditions of any consent given by the Agent pursuant to the foregoing sentence.

During the existence of an Event of Default, all items or amounts which are delivered by any Debtor to the Agent 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 (each an "Assignee Deposit Account") of such Debtor with LaSalle (or another financial institution selected by the Agent) over which the Agent has sole dominion and control, as security for payment of the Liabilities. No Debtor shall have any right to withdraw any funds deposited in the applicable Assignee Deposit Account. The Agent may, from time to time, in its discretion, and shall upon request of the applicable 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 Agent may determine, and the Agent may, from time to time, in its discretion, release all or any of such balance to the applicable Debtor.

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

5. Certificates, Schedules and Reports. Each Debtor will from time to time, as the Agent may request, deliver to the Agent such schedules, 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 such Debtor in full or partial payment of any of the Collateral, as the Agent may reasonably request. Any such schedule, certificate or report shall be executed by a duly authorized officer of such Debtor and shall be in such form and detail as the Agent may specify. Each Debtor shall immediately notify the Agent of the occurrence of any event causing any loss or depreciation in the value of its Inventory or other Goods which is material to the Company and its Subsidiaries taken as a whole, and such notice shall specify the amount of such loss or depreciation.

6. Agreements of the Debtors. Each Debtor (a) will, upon request of the Agent, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices reasonably deemed appropriate by the Agent) and do such other acts and things (including, delivery to the Agent of any Instruments or Certificated Securities which constitute Collateral), all as the Agent may from time to time reasonably request, to

establish and maintain a valid security interest in the Collateral (free of all other liens, claims and rights of third parties whatsoever, other than Permitted Liens) to secure the payment of the Liabilities; (b) hereby authorizes the Agent to file such financing statements and other documents without its signature (to the extent allowed by applicable law); (c) will keep all its Inventory, Equipment and other Goods at, and will not maintain any place of business at any location other than, its address(es) shown on Schedules I and II hereto or at such other addresses of which such Debtor shall have given the Agent not less than 10 days' prior written notice, other than job sites maintained in the ordinary course of such Debtor's business; (d) shall not change its state of organization or incorporation or its name, identity or corporate structure such that any financing statement filed to perfect the Agent's interests under this Agreement would become seriously misleading, unless the Debtor shall have given the Agent not less than 30 days' prior notice of such change (provided that this Section 6(d) shall not be deemed authorize any change or transaction prohibited under the Credit Agreement); (e) will keep its records concerning the Non-Tangible Collateral in such a manner as will enable the Agent or its designees to determine at any time the status of the Non-Tangible Collateral; (f) will furnish the Agent such information concerning such Debtor, the Collateral and the Account Debtors as the Agent may from time to time reasonably request; (g) will permit the Agent and its designees, from time to time, on reasonable notice and at reasonable times and intervals during normal business hours (or at any time without notice during the existence of a Default) to inspect such Debtor's Inventory and other Goods, and to inspect, audit and make copies of and extracts from all records and other papers in the possession of such Debtor pertaining to the Collateral and the Account Debtors, and will, upon request of the Agent during the continuation of a Default, deliver to the Agent all of such records and papers; (h) will, upon request of the Agent, stamp on its records concerning the Collateral, and add on all Chattel Paper constituting a portion of the Collateral, a notation, in form satisfactory to the Agent, of the security interest of the Agent hereunder; (i) except for the sale or lease of Inventory in the ordinary course of its business and sales of Equipment which is no longer useful in its business or which is being replaced by similar Equipment, will not sell, lease, assign or create or permit to exist any Lien on any Collateral other than Permitted Liens; (j) without limiting the provisions of Section 10.3 of the Credit Agreement, will at all times keep all of its Inventory and other Goods insured under policies maintained with reputable, financially sound insurance companies against loss, damage, theft and other risks to such extent as is customarily maintained by companies similarly situated, and cause all such policies to provide that loss thereunder shall be payable to the Agent as its interest may appear (it being understood that (A) so long as no Default shall be continuing, the Agent shall deliver any proceeds of such insurance which may be received by it to such Debtor and (B) whenever a Default shall be continuing, the Agent may apply any proceeds of such insurance which may be received by it toward payment of the Liabilities, whether or not due, in such order of application as the Agent may determine), and such policies or certificates thereof shall, if the Agent so requests, be deposited with or furnished to the Agent; (k) will take such actions as are reasonably necessary to keep its Inventory in good repair and condition; (l) will

take such actions as are reasonably necessary to keep its Equipment in good repair and condition and in good working order, ordinary wear and tear excepted; (m) will promptly pay when due all license fees, registration fees, taxes, assessments and other charges which may be levied upon or assessed against the ownership, operation, possession, maintenance or use of its Equipment and other Goods; (n) will, upon request of the Agent, (i) cause to be noted on the applicable certificate, in the event any of its Equipment is covered by a certificate of title, the security interest of the Agent in the Equipment covered thereby, and (ii) deliver all such certificates to the Agent or its designees; (o) will take all steps reasonably necessary to protect, preserve and maintain all of its rights in the Collateral; (p) except as listed on Schedule V, will keep all of the tangible Collateral, Deposit Accounts and Investment Property in the United States; and (q) will reimburse the Agent for all expenses, including Attorney Costs, incurred by the Agent in seeking to collect or enforce any rights in respect of such Debtor's Collateral.

Any expenses incurred in protecting, preserving or maintaining any Collateral shall be borne by the applicable Debtor. Whenever an Event of Default shall be existing, the Agent shall have the right to bring suit to enforce any or all of the Intellectual Property or licenses thereunder, in which event the applicable Debtor shall at the request of the Agent do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such enforcement and such Debtor shall promptly, upon demand, reimburse and indemnify the Agent for all costs and expenses incurred by the Agent in the exercise of its rights under this Section 6. Notwithstanding the foregoing, the Agent shall have no obligation or liability regarding the Collateral or any thereof by reason of, or arising out of, this Agreement.

7. Default. Whenever an Event of Default shall exist, the Agent may exercise from time to time any and all rights and remedies available to it under the UCC or any other applicable law, in addition to those described in this section below.

(a) Each Debtor agrees, during the existence of an Event of Default, (i) to assemble, at its expense, all its Inventory and other Goods (other than Fixtures) at a convenient place or places acceptable to the Agent and (ii) at the Agent's request, to execute all such documents and do all such other things which may be necessary or desirable in order to enable the Agent or its nominee to be registered as owner of the Intellectual Property with any competent registration authority.

(b) Notice of the intended disposition of the Collateral may be given by first-class mail, hand-delivery (through a delivery service or otherwise) or facsimile and shall be deemed to have been "sent" upon deposit in the U.S. Mails with adequate postage properly affixed, upon delivery to an express delivery service or upon the electronic submission through telephonic services, as applicable. Each Debtor hereby agrees and acknowledges that (i) with respect to Collateral that is (A) perishable or threatens to decline speedily in value or (B) is of a type

customarily sold on a recognized market (including but not limited to, Investment Property), no notice of disposition need be given; and (ii) with respect to Collateral not described in clause (i) of this Section 7(b), notification sent after default and at least five days before any proposed disposition provides notice within a reasonable time before disposition.

(c) Each Debtor hereby agrees and acknowledges that a commercially reasonable disposition of Inventory, Equipment, Computer Hardware and Software, or Intellectual Property may be by lease or license of, in addition to the sale of, such Collateral. Each Debtor further agrees and acknowledges that a disposition (i) made in the usual manner on any recognized market, (ii) a disposition at the price current in any recognized market at the time of disposition or (iii) a disposition in conformity with reasonable commercial practices among dealers in the type of property subject to the disposition shall, in each case, be deemed commercially reasonable.

(d) Any cash proceeds of any disposition by the Agent of any of the Collateral shall be applied by the Agent to payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and thereafter to the payment of any and all of the Liabilities in such order of application as the Agent may from time to time elect, and thereafter any surplus will be paid to the Debtor. The Agent need not apply or pay over for application noncash proceeds of collection and enforcement unless (i) the failure to do so would be commercially unreasonable and (ii) the affected Debtor has provided Agent with a written demand to apply or pay over such noncash proceeds on such basis.

8. General. The Agent 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 any applicable Debtor requests in writing, but failure of the Agent to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of the Agent to preserve or protect any right 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 any Debtor, shall be deemed of itself a failure to exercise reasonable care in the custody or preservation of such Collateral so long as the Agent otherwise exercises reasonable care in the custody or preservation of such Collateral.

Each Debtor agrees that a carbon, photographic or other reproduction of this Agreement is sufficient as a financing statement.

All notices hereunder shall be in writing (including facsimile transmission) and shall be sent, in the case of any Debtor, to the address of the Company shown on Schedule 14.3 of the Credit Agreement and, in the case of the Agent, at its address for notices set forth on Schedule 14.3 to the Credit Agreement, or at such other address as such party may, by written notice

received by the other parties, have designated as its address for such purpose. Notices sent by facsimile transmission shall be deemed to have been given when sent; notices sent by mail shall be deemed to have been given three Business Days after the date when sent by registered or certified mail, postage prepaid; and notices sent by hand delivery or overnight courier service shall be deemed to have been given when received.

Each of the Debtors agrees to pay all expenses, including Attorney Costs paid or incurred by the Agent or any Lender Party in endeavoring to collect the Liabilities of such Debtor, or any part thereof, and in enforcing this Agreement against such Debtor, and such obligations will themselves be Liabilities.

No delay on the part of the Agent in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Agent of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

This Security Agreement shall remain in full force and effect until all Liabilities have been paid in full and all Commitments have terminated. If at any time all or any part of any payment theretofore applied by the Agent or any Lender Party to any of the Liabilities is or must be rescinded or returned by the Agent or such Lender Party for any reason whatsoever (including the insolvency, bankruptcy or reorganization of any Debtor), such Liabilities shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Agent or such Lender Party, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such Liabilities, all as though such application by the Agent or such Lender Party had not been made.

This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois applicable to contracts made and to be performed entirely within such State, subject, however, to the applicability of the UCC of any jurisdiction in which any Goods of any Debtor may be located at any given time. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

The rights and privileges of the Agent hereunder shall inure to the benefit of its successors and assigns.

This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each such counterpart shall be deemed to be an

original, but all such counterparts shall together constitute one and the same Agreement. At any time after the date of this Agreement, one or more additional Persons may become parties hereto by executing and delivering to the Agent a counterpart of this Agreement together with supplements to the Schedules hereto setting forth all relevant information with respect to such party as of the date of such delivery. Immediately upon such execution and delivery (and without any further action), each such additional Person will become a party to, and will be bound by all the terms of, this Agreement.

ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF ILLINOIS OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND OR IN ANY JURISDICTION IN WHICH A BANKRUPTCY, INSOLVENCY OR OTHER SIMILAR LEGAL OR EQUITABLE PROCEEDING IS PENDING AGAINST ANY ONE OR MORE OF THE DEBTORS. EACH DEBTOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS AND OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. EACH DEBTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, TO THE ADDRESS SET FORTH ON SCHEDULE I HERETO (OR SUCH OTHER ADDRESS AS IT SHALL HAVE SPECIFIED IN WRITING TO THE AGENT AS ITS ADDRESS FOR NOTICES HEREUNDER) OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ILLINOIS. EACH DEBTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

EACH OF EACH DEBTOR, THE AGENT AND (BY ACCEPTING THE BENEFITS HEREOF) EACH LENDER PARTY HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN

**CONNECTION HEREWITH OR THEREWITH OR ARISING FROM ANY
FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE
FOREGOING, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL
BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.**

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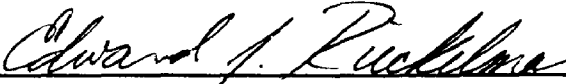
-13-

**TRADEMARK
REEL: 002148 FRAME: 0468**


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

DEBTORS:


METALTEC HOLDING CORP.

By: 
Title: Edward J. Rieckelman, Vice President


METALTEC CORPORATION

By: 
Title: Robert E. Lawrence, Vice President-Finance

UNION METAL CORPORATION

By: 
Title: Robert E. Lawrence, Vice President-Finance

UMC HOLDINGS INC.

By: 
Title: Robert E. Lawrence, Vice President-Finance

AGENT:

LASALLE BANK NATIONAL ASSOCIATION, as
Agent

By: _____



Title: _____

DOUGLAS J. LOVETTE
Senior Vice President

SCHEDULE I
TO SECURITY AGREEMENT

CHIEF EXECUTIVE OFFICES AND LEGAL NAMES

Legal Name of Corporation	State of Organization	Organizational Identification Number	Location of Chief Executive Office And Principal Place of Business
Metaltec Holding Corp.	Delaware	3108591	1432 Maple Avenue N.E. Canton, OH 44705
Union Metal Corporation	Delaware	2023793	1432 Maple Avenue N.E. Canton, OH 44705
UMC Holdings Inc.	Delaware	2382229	1432 Maple Avenue N.E. Canton, OH 44705
Metaltec Corporation	Delaware	2025350	1432 Maple Avenue N.E. Canton, OH 44705

SCHEDULE II
TO SECURITY AGREEMENT

ADDRESSES

(v) The following is a list of addresses where the Debtor maintains a place of business or keeps goods:

- 1) 1432 Maple Avenue N.E.
Canton, OH 44705
- 2) 1935 16th St. N.E.
Canton, OH 44705
- 3) 9450 S.W. Commerce Circle
Suite 322
Wilsonville, OR 97070
- 4) 1320 S. University Drive
Suite 701A
Ft. Worth, TX 76107
- 5) 3639 Harbor Blvd.
Suite 213
Ventura, CA 93001
- 6) Bonnot Parking Lot
1805 Virginia Place N.E.
Canton, OH 44705
- 7) 16395 Avenue 24
Chowchilla, CA 93610

SCHEDULE III
TO SECURITY AGREEMENT

TRADE NAMES, PRIOR LEGAL NAMES, ETC.

- (vi) During the past five years, Union Metal Corporation has conducted business under the trade name of Union Metal.
- (vii) The legal corporate name for IUS Holdings was previously International Utility Structures Inc., and Articles of Amendment were filed with the office of the Delaware Secretary of State on October 28, 1996 to reflect the current legal corporate name.
Prior to January 31, 1998, Metaltec Corporation operated as a wholly-owned subsidiary of Petitjean Industries, S.A., a French corporation ("Petitjean"). On January 31, 1998, Petitjean was purchased by International Utility Structures, Inc. ("IUS"). IUSI subsequently transferred ownership of Metaltec Corporation from Petitjean to IUS Holdings, Inc., a wholly-owned subsidiary of IUSI, on August 18, 1998.

SCHEDULE IV
TO SECURITY AGREEMENT

PATENTS

PATENT	PATENT/SERIAL NUMBER	COUNTRY	COMPANY NAME HELD IN	ISSUE DATE
Tapered Tube Manufacturing Apparatus & Process	5,862,694	U.S.	Inventor: Vincent R. Horning Assignee: Union Metal Corporation	January 26, 1999
Luminaire Raising and Lowering System	4,429,355	U.S.	Inventor: John S. Gurchinsky Assignee: Union Metal Manufacturing Company, assigned to Esmet, Inc. on 02/01/1985; and assigned by Esmet, Inc. to Metaltec Corporation on 06/06/1986	January 31, 1984

TRADEMARKS

TRADEMARK	REGISTRATION SERIAL NUMBER	COUNTRY	COMPANY NAME HELD IN	ISSUE DATE
Union Metal Trademark	430,819	U.S.	Union Metal Corporation	June 24, 1947
Marbelite Trademark	429,452	U.S.	Union Metal Corporation	April 29, 1947
Union Metal and Design Trademark	238,512	U.S.	Union Metal Corporation	February 7, 1928

COPYRIGHTS

COPYRIGHT NAME	COUNTRY	COMPANY NAME HELD IN	ISSUE DATE
None	N/A	N/A	N/A

SCHEDULE V
TO SECURITY AGREEMENT

COLLATERAL NOT LOCATED IN THE UNITED STATES

None.