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REGISTRATION FORM COVER SHEET  
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**TRADEMARKS ONLY**

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

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

<p>1. Name of conveying party(ies): North American Royalties, Inc.</p> <p><input type="checkbox"/> Individual(s)      <input type="checkbox"/> Association  <input type="checkbox"/> General Partnership      <input type="checkbox"/> Limited Partnership  <input checked="" type="checkbox"/> Corporation-State Delaware  <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: The Chase Manhattan Bank Internal Address: Attention: Hall Webb Street Address: 712 Main Street City: Houston State: Texas Zip: 77002</p> <p><input type="checkbox"/> Individual(s) citizenship _____  <input type="checkbox"/> Association _____  <input type="checkbox"/> General Partnership _____  <input type="checkbox"/> Limited Partnership _____  <input checked="" type="checkbox"/> Corporation-State New York  <input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No  (Designations must be a separate document from assignment)  Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3. Nature of conveyance:  <input type="checkbox"/> Assignment      <input type="checkbox"/> Merger  <input checked="" type="checkbox"/> Security Agreement      <input type="checkbox"/> Change of Name  <input type="checkbox"/> Other _____</p> <p>Execution Date: April 20, 2001</p>	

<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) 76/001,200 76/001,201</p>	<p>B. Trademark Registration No.(s)</p>
Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: Micheline Kelly Johnson Internal Address: Baker, Donelson, Bearman &amp; Caldwell Street Address: 1800 Republic Centre 633 Chestnut Street City: Chattanooga State: TN Zip: 37450</p>	<p>6. Total number of applications and registrations involved: ..... <span style="border: 1px solid black; padding: 2px;">2</span></p> <p>7. Total fee (37 CFR 3.41).....\$ 80.00  <input checked="" type="checkbox"/> Enclosed <span style="font-size: 1.5em; margin-left: 20px;">80 E</span>  <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: 08-1629</p> <p>(Attach duplicate copy of this page if paying by deposit account)</p>
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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.

Micheline Kelly Johnson  
Name of Person Signing

Signature

May 1, 2001  
Date

Total number of pages including cover sheet, attachments, and document: 17

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

TRADEMARK  
REEL: 002300 FRAME: 0865

## ASSIGNMENT AND SECURITY AGREEMENT

THIS ASSIGNMENT AND SECURITY AGREEMENT, made as of April 19, 2001, by **NORTH AMERICAN ROYALTIES, INC.**, a Delaware corporation ("NAR"), and **WHELAND FOUNDRY, LLC.**, a Delaware limited liability company ("Foundry"), **WHELAND MANUFACTURING COMPANY, INC.**, a Delaware corporation, and **WHELAND HOLDING COMPANY, INC.**, a Delaware corporation, each of whose address and chief place of business is 200 East Eighth Street, Chattanooga, Tennessee 37402, party of the first part (hereinafter collectively the "Debtor") in favor of **THE CHASE MANHATTAN BANK**, for itself as the Bridge Note Holder and for itself and the other lenders, as Collateral Agent, pursuant to the Collateral Agency Agreement and pursuant to the Loan Agreements, a New York state corporation, whose principal office address in Texas is 712 Main Street, Houston, Texas 77002, Attention: Hall Webb (hereinafter called the "Collateral Agent").

### WITNESSETH:

That for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Debtor hereby agrees with Collateral Agent as follows:

1. Definitions. All capitalized terms used but not otherwise defined herein shall have the meanings set forth in **Schedule I** attached hereto and made a part hereof, subject to the provisions of **Schedule I** for certain revision of said definitions. All terms used in this Security Agreement which are defined in the Uniform Commercial Code (the "Code") of Tennessee, as in effect from time to time, and which are not otherwise defined herein or in **Schedule I** shall have the same meanings herein as set forth therein. To the extent any Loan Agreement is terminated, the definitions therein and references thereto shall no longer apply.

2. Grant of Security Interest. Each Debtor does hereby pledge, mortgage, assign, transfer, convey and hypothecate to Collateral Agent, and grant to Collateral Agent a security interest in, the following (the "Collateral"):

(a) Debtor's right, title and interests in and under that certain Lease Agreement and that certain Agreement for Payments in Lieu of Ad Valorem Taxes by and among certain of the Debtors and the Industrial Development Board of the City of Chattanooga, the City of Chattanooga, Hamilton County, William Nobles, as Hamilton County Trustee, and William C. Bennett, as Hamilton County Assessor of Property, both entered into on or about December 1, 1999 and that certain Lease between North American Royalties and Alton Park Properties, LLC dated as of May 1, 1996 (collectively, the "Pledged Contract"); and

(b) All of Debtor's right, title and interest in and to any and all patents, patent applications, trade secrets, trademarks, trademark applications, tradenames, tradename applications and licensing agreements registered in the name of Debtor or any Debtor, including, but not limited to, U.S. Patent No. 6, 109, 334 (collectively, the "Intellectual Collateral"); and

(c) All of Debtor's claims, demands, proceeds, and causes of actions with respect to the accounts, contract rights and general intangibles described above; all of Debtor's right, title and interest in any fund or account balance set aside for the payment thereof; and moneys and

proceeds of every kind and nature, due or to become due to Debtor at any time, now or hereafter, with respect to the foregoing.

3. Security for Obligations. The security interest created hereby in the Collateral constitutes continuing collateral security for all of the following obligations, whether now existing or hereafter incurred (the "Obligations"):

(a) The Bridge Note;

(b) The Working Capital Notes and the Term Notes;

(c) The Indebtednesses (as such term is defined in the Guaranty) of any Guarantor under and pursuant to that certain Guaranty Agreement (the "Guaranty") of even date herewith, pursuant to which any Guarantor guarantees certain debts and obligations of any Debtor, as said Guaranty may be amended or modified;

(d) The due performance and observance by Debtor and each Guarantor of all of Debtor's and Guarantor's other obligations and undertakings under or pursuant to this Agreement, any Loan Agreements, and any other instrument or document which now or hereafter secures all or part of the indebtednesses and obligations secured hereby; and

(e) The prompt payment and performance of any and all other present and future indebtednesses and obligations of any Debtor and any Guarantor to Collateral Agent, to any Bridge Note Holder, to any Working Capital Lender or to any Term Note Holder provided such indebtedness and obligations arise under the Loan Agreements, as applicable.

4. Representations and Warranties. Each Debtor represents and warrants as follows:

(a) Debtor's chief place of business and chief executive office and the place where Debtor keeps Debtor's records concerning the Collateral are located at the address specified for Debtor in the first paragraph hereof or at such other address of which Debtor has sent written notice to Collateral Agent.

(b) A complete and exact copy of the Pledged Contracts, if any, is attached hereto as **Exhibit "A"**. Such Pledged Contracts set forth the entire agreement and understanding of Debtor and the other parties thereto, relating to the subject matter thereof, and there are no other agreements, arrangements or understandings, written or oral, relating to the matters covered thereby or the rights of Debtor in respect thereof. The Pledged Contracts are legal, valid and binding obligations of the parties thereto, enforceable against such parties in accordance with the respective terms thereof. To Debtor's knowledge, no default thereunder by any such party has occurred, nor does any defense, offset, deduction or counterclaim exist thereunder in favor of any such party.

(c) [Deleted]

(d) Each Debtor owns the Collateral free and clear of any lien, security interest or other charge or encumbrance except for the security interests created by this Agreement and Permitted Liens. Except as set forth in the Loan Agreements, no effective financing statement or

other instrument similar in effect covering all or any part of the Collateral is on file in any recording office except such as may have been filed in favor of Collateral Agent relating to this Agreement.

(e) The exercise by Collateral Agent of its rights and remedies hereunder will not contravene any law or governmental regulation or any material contractual restriction binding on or affecting Debtor or any of the properties of Debtor and will not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any of the properties of Debtor.

(f) No authorization or approval or other action by, and no notice to or filing with, any governmental authority, other regulatory body or any other person(s) is required either for the grant by Debtor of the security interest created hereby in the Collateral or for the exercise by Collateral Agent of its rights and remedies hereunder.

(g) Except for Permitted Liens and as otherwise described herein or in Exhibit "A" attached hereto, this Agreement creates a valid collateral assignment of, and security interest as of the date hereof in favor of Collateral Agent in, the Collateral.

5. Covenants as to the Collateral. So long as any of the Obligations shall remain outstanding, each Debtor will, unless Collateral Agent shall otherwise consent in writing or as otherwise permitted in the Loan Agreement:

(a) give Collateral Agent at least thirty (30) days' prior written notice of any change in the location of the chief place of business, chief executive office or the office where such Debtor keeps the records of Debtor concerning the Collateral;

(b) keep adequate records concerning the Collateral and permit representatives of Collateral Agent at any time upon reasonable prior notice and during normal business hours to inspect and make abstracts from such records;

(c) duly perform and observe all of Debtor's material obligations under the Pledged Contracts and any other agreements now existing with respect to the Collateral, subject to the terms of Sections 4, 5 and 7 hereof, at Debtor's expense, collect all amounts due or to become due thereunder;

(d) at Debtor's expense, promptly deliver to Collateral Agent a copy of each material notice or other material communication received by Debtor by which any other party to any agreement respecting any of the Collateral purports to exercise any of its rights or affect any of its obligations thereunder, together with a copy of any reply by Debtor thereto;

(e) at Debtor's expense, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary and that Collateral Agent may reasonably request, in order to (i) perfect and protect any security created or purported to be created hereby; (ii) enable Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral; or (iii) otherwise effect the purposes of this Agreement, including, without limitation, executing and filing such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary and that

Collateral Agent may reasonably request, in order to perfect and preserve the security interests created or purported to be created hereby;

(f) not sell, assign or otherwise dispose of any of the Collateral except as may be permitted under the Loan Agreements;

(g) not create or suffer to exist any lien, security interest or other charge or encumbrance upon or with respect to any of the Collateral except for the security interests created hereunder;

(h) not cancel or terminate, or make or consent to any cancellation, termination, amendment or other modification or waiver with respect to, the Collateral;

(i) not take or fail to take any action which would in any manner impair the value of the Collateral or the enforceability against the other parties thereto of any of Debtor's rights under the contracts and agreements constituting the Collateral;

(j) not transfer or assign any ownership interest in any of the Intellectual Collateral, nor grant or create or permit to exist any lien or security interest in the Intellectual Collateral except as may be permitted under the Loan Agreements; and

(k) in the event that any of the Intellectual Collateral is infringed, misappropriated or diluted by a third party, each Debtor shall promptly notify Collateral Agent after it learns thereof and shall, unless Debtor shall reasonably determine that such Intellectual Collateral is of insufficient economic value to Debtor to justify such action, promptly sue for infringement, misappropriation, or dilution, or take such other actions as Debtor or Collateral Agent shall reasonably deem appropriate under the circumstances to protect such Intellectual Collateral.

6. Additional Provisions Concerning the Collateral. (a) Each Debtor hereby authorizes Collateral Agent to file, without the signature of Debtor where permitted by law, one or more financing or continuation statements, and amendments thereto, relating to the Collateral.

(b) Each Debtor hereby irrevocably appoints Collateral Agent as such Debtor's attorney-in-fact and proxy, with full authority in the place and stead of Debtor and in the name of Debtor or otherwise, from time to time after the occurrence of an Event of Default which continues beyond any applicable grace period or has not otherwise been waived in accordance with the Loan Agreements to take any action and to execute any instrument which Collateral Agent may deem necessary to accomplish the purposes of this Agreement, including, without limitation: (i) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral; and (ii) to file any claims or take any action or institute any proceedings which Collateral Agent may deem necessary for the collection of any of the Collateral or otherwise to enforce the rights of Debtor or of Collateral Agent with respect to any of the Collateral and (iii) to take any and all such action as may be necessary to consummate the performance of Debtor's obligations under the agreements related to the Collateral.

(c) If any Debtor fails to perform any agreement contained herein, Collateral Agent may after giving at least ten (10) days notice to Debtor itself perform, or cause performance of,

such agreement or obligation, and the expenses of Collateral Agent incurred in connection therewith shall be payable by each Debtor under Section 8 hereof.

(d) The powers conferred on Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the accounting for moneys actually received by it hereunder, Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any of the Collateral.

(e) Anything herein to the contrary notwithstanding, (i) each Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of Debtor's obligations thereunder to the same extent as if this Agreement had not been executed; (ii) the exercise by Collateral Agent of any of its rights hereunder shall not release Debtor from any of Debtor's duties or obligations under any of said contracts and agreements; and (iii) Collateral Agent shall not have any obligation or liability by reason of this Agreement under any of said contracts and agreements nor shall Collateral Agent be obligated to perform any of the obligations or duties of Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder; provided, however, that in the event of an Event of Default under Section 7 of this Agreement and the exercise by Collateral Agent of its rights under Section 8 of this Agreement, whereupon Collateral Agent, or other transferee, becomes the owner of the Collateral, Collateral Agent, or other transferee, shall be bound by all of the terms and provisions of said contracts and agreements as to the interests of Debtor therein.

(f) In the event of a breach or default under any of the agreements or contracts included in the Collateral by any party thereto other than Debtor:

(i) Each Debtor will, promptly after obtaining knowledge thereof, give Collateral Agent written notice of the nature and duration thereof, specifying what action, if any, Debtor has taken and proposes to take with respect thereto;

(ii) Each Debtor will not, without the prior written consent of Collateral Agent, declare or waive any such breach or default or affirmatively consent to the cure thereof or exercise any of Debtor remedies in respect thereof; and

(iii) Each Debtor will, upon written instructions from Collateral Agent, proceed with appropriate diligence to exercise Debtor's remedies in respect of such agreement or contract, including the institution of any suit or other legal action; provided, however, that Collateral Agent may, at its sole option and at Debtor's cost and expense, exercise such rights and remedies directly.

(g) At Collateral Agent's option, each Debtor shall notify the payors under the Pledged Contracts to make all payments of distributions with respect to the Pledged Contracts and any other Collateral directly to Collateral Agent, to be applied to the payment of the Obligations, in such manner as is provided in the Collateral Agency Agreement, but if no method is so specified, as otherwise specified herein. Any such distributions which shall be received by any Debtor, contrary to the foregoing provisions hereof, shall be held by such Debtor in trust for the benefit of Collateral Agent, shall be segregated from the other property or funds of such

Debtor, and shall be forthwith delivered to Collateral Agent in the exact form received. Any payments made to Collateral Agent pursuant to the provisions hereof shall constitute full and complete acquittance to the party making such payment.

(i) In the event that any moneys or other proceeds payable under the Pledged Contracts or any other Collateral shall be paid directly to any Debtor, such proceeds shall be received and held in trust for the benefit of Collateral Agent, shall be segregated from other funds of such Debtor, and shall be forthwith paid over to Collateral Agent in the exact form received.

7. Events of Default. Each Event of Default specified in the Loan Agreements shall constitute an Event of Default hereunder.

8. Remedies Upon Default. If an Event of Default shall have occurred and be continuing (unless it has been waived in accordance with the Loan Agreements):

(a) Collateral Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code now or hereafter in effect (whether or not the Code applies to the affected Collateral) or under other applicable laws; and also may exercise any and all rights and remedies of Debtor assigned as Collateral hereunder or otherwise in respect of the Collateral, including, without limitation, any and all rights of Debtor to demand or otherwise require payment of any amount under, or, with respect to the Collateral, or performance of any provision of the instruments or agreements comprising any of the Collateral, and, without limiting the generality of the foregoing and without notice except as specified below, sell the Collateral by public or private sale at such price or prices and on such other terms as Collateral Agent may deem commercially reasonable, for cash or on credit or for future delivery. Debtor agrees that at least ten (10) days' notice to Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute commercially reasonable notification. Collateral Agent shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Unless prohibited by the provisions of the Code, Collateral Agent may purchase the Collateral at any such sale. If the indebtedness secured hereby, or any part thereof, is now or hereafter further secured by chattel mortgages, deeds of trust, other security interests, pledges, contracts of guaranty, assignments of leases, or other securities, Collateral Agent may at its option exhaust any one or more of said securities and the security hereunder either concurrently or independently, and in such order as it may determine, and Collateral Agent shall not be required to marshal assets.

(b) In the event that, following the occurrence of an Event of Default which is continuing, Collateral Agent shall elect to exercise its remedies under the applicable provisions of the Uniform Commercial Code by selling all or any part of the Collateral at public or private sale, Debtor hereby irrevocably authorizes Collateral Agent, its successors and assigns, as such Debtor's true and lawful agent and attorney-in-fact, to execute and deliver such assignments or other instruments, in recordable form, and with such warranties as such Debtor could make if

acting personally, as may be sufficient to transfer and convey to the purchaser or purchasers at such sale good and marketable title to any such Collateral so sold. The power herein granted, being a power "coupled with an interest," shall be irrevocable until the Obligations shall have been fully paid and satisfied.

(c) Any cash held by Collateral Agent as Collateral and all cash proceeds received by Collateral Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral shall be applied in accordance with the Collateral Agency Agreement, but if no method is so specified, as follows:

(i) Any cash held by Collateral Agent as Collateral and all cash proceeds received by Collateral Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral shall be applied as provided in the Collateral Agency Agreement and if there is no method specified in the Collateral Agency Agreement, as follows: (i) First, to the repayment of (x) any and all sums advanced by the Collateral Agent in order to preserve the Collateral or preserve its security interest in the Collateral, (y) the reasonable fees and expenses of re-taking, holding, preserving, using, operation of, preparing for sale or lease, selling or otherwise disposing or realizing on the Collateral, or of any exercise or enforcement by the Collateral Agent of its rights hereunder or under the Collateral Documents, together with reasonable attorneys' fees and expenses actually incurred and court costs, if any, and (z) the reasonable compensation and expenses of the Collateral Agent; (ii) Second, to the extent moneys remain after the application pursuant to the preceding clause (i), to the payment of any outstanding Bridge Indebtedness; (iii) Third, to the extent moneys remain after the application pursuant to the preceding clauses (i) and (ii), to the payment of any outstanding Working Capital Indebtedness or, if the proceeds are insufficient to pay in full all such obligations, to each Working Capital Lender its Pro Rata Share of the amount remaining to be distributed; (iv) Fourth, to the extent moneys remain after the application pursuant to the preceding clauses (i), (ii) and (iii), to the payment of any outstanding Term Indebtedness or, if proceeds are insufficient to pay in full all such obligations to each Term Note Holder its Pro Rata Share of the amount remaining to be distributed; (v) Fifth, to the extent moneys remain after the application pursuant to the preceding clauses (i), (ii), (iii) and (iv), any surplus then remaining shall be paid to the Borrowers or as otherwise required by law.

(d) In the event that the proceeds of any such sale, collection or realization are insufficient to pay all amounts to which Collateral Agent is legally entitled, each Debtor shall be liable for the deficiency, together with interest thereon at the Default Rate specified in the Loan Agreements for interest on overdue principal thereof or such other rate as shall be fixed by applicable law, together with the costs of collection and the reasonable fees actually incurred for any attorneys employed by Collateral Agent to collect such deficiency.

9. Indemnity and Expenses. (a) Each Debtor agrees to indemnify Collateral Agent from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from Collateral Agent's gross negligence or willful misconduct.



(b) Each Debtor will upon demand pay to Collateral Agent the amount of any and all costs and expenses, including the reasonable fees and disbursements of Collateral Agent's counsel actually incurred by Collateral Agent and of any experts and agents, which Collateral Agent may incur in connection with (i) the administration of this Agreement; (ii) the sale of, collection from, or other realization upon, any Collateral; (iii) the exercise or enforcement of any of the rights of Collateral Agent hereunder; or (iv) the failure by any Debtor to perform or observe any of the provisions hereof, except expenses resulting from Collateral Agent's gross negligence or willful misconduct.

10. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telegraphic communication) and shall be mailed, telecopied, telegraphed or delivered, if to Debtor, to the address specified in the first paragraph of this Agreement; with a copy to Aldo Lafiandra, Alston & Bird, LLP, 1201 West Peachtree Street, Atlanta, Georgia 30309, and if to Collateral Agent, to it at its address specified in the first paragraph of this Agreement (directed to the attention of Hall Webb). All such notices and other communications shall be effective (i) if mailed when received or three (3) days after mailing, whichever is earlier; (ii) if telecopied, when transmitted; or (iii) if telegraphed, when delivered to the telegraph company.

11. Miscellaneous. (a) No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by each Debtor and Collateral Agent, and no waiver of any provision of this Agreement, and no consent to any departure by any Debtor therefrom, shall be effective unless it is in writing and signed by Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by the Collateral Agent, terminate the security interest created hereby in any Collateral or release from the security interest created hereby any Collateral at any time while any Obligation remains outstanding.

(b) No failure on the part of Collateral Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of Collateral Agent provided herein are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law.

(c) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or invalidity without invalidating the remaining portions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(d) This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until the payment in full or release of the Obligations, (ii) be binding on each Debtor and each Debtor's successors and permitted assigns and shall inure, together with all rights and remedies of Collateral Agent hereunder, to the benefit of Collateral Agent and its successors, transferees and assigns. Without limiting the generality of the foregoing, Collateral Agent may assign or otherwise transfer its rights under this Agreement to any other person, and such other person shall thereupon become vested with all of the benefits

in respect thereof granted to Collateral Agent herein and otherwise in accordance with the Loan Agreement. None of the rights or obligations of any Debtor hereunder may be assigned or otherwise transferred without the prior written consent of Collateral Agent.

(e) Collateral Agent undertakes to exercise only such duties as are specifically set forth in this Agreement and to exercise such of the rights, powers and remedies as are vested in it by this Agreement or by law. In any instance hereunder where Collateral Agent's approval or consent is required or the exercise of Collateral Agent's judgment is required, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Collateral Agent, and Collateral Agent shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment. Collateral Agent may consult with counsel, and the written advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(f) This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest created hereby, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of Tennessee.

(g) The captions or headings of the Sections of this Agreement are inserted merely for convenience of reference and shall not be deemed to limit or modify the terms and provisions hereof.

12. Payment in Full. Should the Obligations be satisfied (save only for contingent obligations which expressly survive repayment of indebtedness evidenced by the Notes and with respect to which a claim has been made), then this conveyance shall be released and terminated by Collateral Agent and Collateral Agent shall promptly execute and deliver to Debtor, at Debtor's request, such documents as may be necessary to evidence the termination of record of the security interests and assignments herein granted. The parties acknowledge and agree that this instrument secures indebtedness and other obligations arising under three separate Loan Agreements. If only one Loan Agreement exists and the indebtedness and obligations relating thereto which are secured hereby are satisfied, this instrument shall be terminated and the collateral hereunder shall be released (with the exception that if said sole Loan Agreement is the Credit Agreement and the Working Capital Lenders thereunder are obligated to advance additional funds thereunder, this sentence shall not apply). Provided, however, if the only Obligations remaining unsatisfied are contingent obligations under an indemnity provision with respect to which a claim has been made, Collateral Agent shall not be obligated to release all Collateral. Instead, Collateral Agent shall retain a security interest in such Collateral as is reasonably acceptable to Collateral Agent and is of a value equal to 110% of the amount of such contingent liability (as the amount of such contingent liability is determined by mutual agreement or by an independent appraiser acceptable to Collateral Agent and Debtor.)

(Signatures on following pages)

IN WITNESS WHEREOF, each Debtor has caused this Agreement to be executed and delivered by its duly authorized officers.

NORTH AMERICAN ROYALTIES, INC.

By: [Signature]  
Title: President : Chair of the Board

WHELAND FOUNDRY, LLC

By: [Signature]  
Title: President

WHELAND MANUFACTURING  
COMPANY, INC.

By: [Signature]  
Title: President

WHELAND HOLDING COMPANY, INC.

By: [Signature]  
Title: President

STATE OF TENNESSEE  
COUNTY OF HAMILTON

Before me, Kristen J. Johnson, a Notary Public in and for the State and County aforesaid, personally appeared Gordon P. Street, Jr., with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself (or herself) to be the Pres. & Chairing the Town of **North American Royalties, Inc.**, the within named bargainor, a corporation, and that he (she) as such officer, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself (herself) as such officer.

WITNESS my hand and seal at office, on this the 20th day of April, 2001.

Kristen J. Johnson  
Notary Public

My Commission Expires: June 24, 2004

(Notary Seal)

STATE OF TENNESSEE  
COUNTY OF HAMILTON

Before me, Kristen J. Johnson, a Notary Public in and for the State and County aforesaid, personally appeared C. S. Malchuk, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself (or herself) to be the President of **Wheland Foundry, LLC**, the within named bargainer, a limited liability company, and that he (she) as such President, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself (herself) as such manager.

WITNESS my hand and seal at office, on this the 20th day of April, 2001.

Kristen J. Johnson  
Notary Public

My Commission Expires: June 24, 2004

(Notary Seal)

STATE OF TENNESSEE  
COUNTY OF HAMILTON

Before me, Kristen L. Johnson, a Notary Public in and for the State and County aforesaid, personally appeared L.S. Malchuk, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself (or herself) to be the President of **Wheland Manufacturing Company, Inc.**, the within named bargainer, a corporation, and that he (she) as such officer, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself (herself) as such officer.

WITNESS my hand and seal at office, on this the 20<sup>th</sup> day of April, 2001.

Kristen L. Johnson  
Notary Public

My Commission Expires: June 24, 2004

(Notary Seal)

STATE OF TENNESSEE  
COUNTY OF HAMILTON

Before me, Kristen L. Johnson, a Notary Public in and for the State and County aforesaid, personally appeared L.S. Malchuk, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself (or herself) to be the President of **Wheland Holding Company, Inc.**, the within named bargainer, a corporation, and that he (she) as such officer, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself (herself) as such officer.

WITNESS my hand and seal at office, on this the 20<sup>th</sup> day of April, 2001.

Kristen L. Johnson  
Notary Public

My Commission Expires: June 24, 2004

(Notary Seal)

**Schedule I**  
**DEFINED TERMS**

Capitalized terms used in the agreement to which this Schedule I is attached shall have the meaning for those terms as provided below. Any defined term used in the plural shall refer to all members of the relevant class, and any defined term used in the singular shall refer to any one or more of the members of the relevant class. As to any and all defined terms set forth below which are also or which become defined terms in any Loan Agreement, the defined term in such Loan Agreement shall supersede and replace in its entirety the definition set forth below, without requirement of any amendment or modification to the agreement to which this Schedule I is attached. Some or all of the documents below which note that they are "contemplated" to be entered into may not ever be entered into. NOTE: some definitions below are included solely for the purpose of use in other definitions which are used in the foregoing agreement.

"Borrowers" means North American Royalties, Inc., a Delaware corporation, and Wheland Foundry, LLC, a Delaware limited liability company.

"Bridge Indebtedness" means all obligations of the Borrowers to the Bridge Note Holder in its capacity as Bridge Note Holder under the Bridge Loan Agreement, the Bridge Note and the related Loan Documents which are delivered in connection with the Bridge Loan Agreement and the Bridge Note.

"Bridge Loan Agreement" means that certain Bridge Loan Agreement dated as of April 19, 2001 among NAR, Foundry and the Bridge Note Holder, as amended, supplemented or otherwise modified or restated from time to time.

"Bridge Note" means the promissory note dated as of April 19, 2001 in the original principal amount of \$9,000,000.00 from the Borrowers payable to the order of the Bridge Note Holder, maturing by its terms on May 21, 2001, issued to evidence the indebtedness outstanding under the Bridge Loan Agreement, as amended, supplemented or otherwise modified or restated from time to time.

"Bridge Note Holder" means the holders of the Bridge Note.

"Collateral Agency Agreement" means that certain Collateral Agency and Intercreditor Agreement dated as of April 19, 2001, entered into or contemplated to be entered into among the Bridge Note Holder, the Working Capital Lenders, the Term Note Holders and the Collateral Agent, as amended, supplemented or otherwise modified or restated from time to time.

"Collateral Agent" means The Chase Manhattan Bank, in its capacity as the collateral agent, pursuant to the Collateral Agency Agreement, for itself and for the other Working Capital Lenders and the Term Note Holders.

"Collateral Documents" means all mortgages, security agreements and pledge agreements that the Borrowers and/or the Guarantors shall from time to time have executed and delivered to the Collateral Agent pursuant to the Bridge Loan Agreement, the Credit Agreement and/or the Note

Purchase Agreement, all as amended, supplemented or otherwise modified or restated from time to time, as security for the obligations thereunder.

"Credit Agreement" means the Revolving Credit Loan Agreement entered into or contemplated to be entered into and among NAR, Foundry and the Working Capital Lenders and the Guarantors, dated as of April 19, 2001, as amended, supplemented or otherwise modified or restated from time to time.

"Foundry" means Wheland Foundry, LLC, a Delaware limited liability company.

"Guarantors" means each of Wheland Manufacturing Company, Inc., and Wheland Holding Company, Inc.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, affecting any Property, including any conditional sale or other title retention agreement, any lease in the nature of a security interest, and/or the filing of any financing statement (other than a precautionary financing statement with respect to a true lease that is not in the nature of a security interest) under the UCC or comparable law of any jurisdiction with respect to any Property.

"Loan Agreements" means the Bridge Loan Agreement, the Credit Agreement and the Note Purchase Agreement, as the same may be amended, supplemented or otherwise modified or restated from time to time.

"Loan Documents" means the Bridge Loan Agreement, the Bridge Note, the Credit Agreement, the Working Capital Notes, the Note Purchase Agreement, the Term Notes, the Collateral Documents, and each other document, agreement and instrument executed by Borrowers and/or the Guarantors evidencing or securing the obligations under the Loan Agreements and delivered to the Collateral Agent or a Bridge Note Holder or a Working Capital Lender or a Term Note Holder in connection therewith or herewith, in each case, as amended, supplemented or otherwise modified or restated from time to time.

"NAR" means North American Royalties , Inc., a Delaware corporation.

"Note Purchase Agreement" means that certain Note Purchase Agreement entered into or contemplated to be entered into among NAR, Foundry and the purchasers named therein, dated as of April 19, 2001, as amended, supplemented or otherwise modified or restated from time to time.

"Person" means any individual or entity, including a trustee, corporation, limited liability company, general partnership, limited partnership, joint stock company, trust, estate, unincorporated organization, business association, firm, joint venture, Governmental Agency, or other entity.

**"Property"** means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

**"Pro Rata Share"** means, when calculating a Secured Party's portion of any distribution or amount payable under the Loan Documents or the Collateral Documents at any time: (i) in the case of any Bridge Indebtedness, an amount equal to the amount available for distribution to the Bridge Note Holders at such time multiplied by a fraction, the numerator of which is the then unpaid amount of Bridge Indebtedness owing to or held by such Bridge Note Holder and the denominator of which is the aggregate amount of Bridge Indebtedness outstanding at such time; and (ii) in the case of any Working Capital Indebtedness, an amount equal to the amount available for distribution to the Working Capital Lenders at such time multiplied by a fraction, the numerator of which is the then unpaid amount of Working Capital Indebtedness owing to or held by such Working Capital Lender and the denominator of which is the aggregate amount of Working Capital Indebtedness outstanding at such time; and (iii) in the case of any Term Indebtedness, an amount equal to the amount available for distribution to the Term Note Holders at such time multiplied by a fraction, the numerator of which is the then unpaid amount of Term Indebtedness owing to or held by such Term Note Holder and the denominator of which is the aggregate principal amount of Term Indebtedness outstanding at such time.

**"Secured Party" or "Secured Parties"** means the Bridge Note Holder, the Working Capital Lenders and the Term Note Holders.

**"Term Indebtedness"** means all obligations of the Borrowers to the Term Note Holders in their capacity as Term Note Holders under the Note Purchase Agreement, the Term Notes and the related Loan Documents which are delivered in connection with the Note Purchase Agreement and the Term Notes.

**"Term Notes"** means the promissory notes in the aggregate principal amount of \$107,000,000.00, due April 1, 2009, issued or contemplated to be issued into by Borrowers payable to the order of the Term Note Holders from time to time to evidence the indebtedness outstanding under the Note Purchase Agreement.

**"Term Note Holders"** means the holders of the Term Notes.

**"Working Capital Indebtedness"** means all obligations of the Borrowers to the Working Capital Lenders in their capacity as Working Capital Lenders under the Credit Agreement, the Working Capital Notes and the related Loan Documents which are delivered in connection with the Credit Agreement and the Working Capital Notes.

**"Working Capital Lenders"** means First Tennessee Bank National Association, The Chase Manhattan Bank, Massachusetts Mutual Life Insurance Company, Nationwide Life Insurance Company and/or General Motors Corporation and any other lenders who are parties to the Credit Agreement.

**"Working Capital Notes"** means the promissory note or notes in the aggregate amount of \$25,000,000.00 entered into or contemplated to be entered into by Borrowers payable to the



order of the Working Capital Lenders from time to time to evidence the indebtedness outstanding under the Credit Agreement.