

08-13-2003



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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings

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.

1. Name of conveying party(ies): Asphalt Materials, Inc. 8.11.03
Individual(s) Association
General Partnership Limited Partnership
Corporation-State Indiana
Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: National City Bank of Indiana
Internal Address:
Street Address: One National City Center
City: Indianapolis State: IN Zip: 46255
Individual(s) citizenship
Association National Banking
General Partnership
Limited Partnership
Corporation-State
Other
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
Assignment Merger
Security Agreement Change of Name
Other
Execution Date: 02/28/2003

4. Application number(s) or registration number(s):
A. Trademark Application No.(s) 76/010,347
B. Trademark Registration No.(s) 2,191,985 2,390,243
Additional number(s) attached Yes No

6. Total number of applications and registrations involved: 3

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Randee Sibul-Gelbert
Internal Address:
Street Address: Baker & Daniels
300 North Meridian Street, Suite 2700
City: Indianapolis State: IN Zip: 46204

7. Total fee (37 CFR 3.41) \$ 90.00
Enclosed
Authorized to be charged to deposit account
8. Deposit account number:
Additional fees may be charged to Deposit Account No. 02-0390

DO NOT USE THIS SPACE

9. Signature.
Randee Sibul-Gelbert Name of Person Signing
Signature
August 7, 2003 Date
Total number of pages including cover sheet, attachments, and document: 23

08/12/2003 DBYRNE 00000160 76010347
Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231
01 FC:8521 40.00 OP
02 FC:8522 50.00 OP

TRADEMARK REEL: 002799 FRAME: 0415

## SECURITY AGREEMENT

FOR VALUE RECEIVED, ASPHALT MATERIALS, INC., an Indiana corporation (the "**Debtor**"), hereby ASSIGNS, PLEDGES and GRANTS to NATIONAL CITY BANK OF INDIANA, a national banking association, as Collateral Agent for the holders of the Secured Obligations ("**Secured Party**"), a security interest in all personal property of Debtor, tangible and intangible, whether now owned and existing or hereafter acquired or arising, and wheresoever located, including without limitation the following:

- (1) Accounts;
- (2) Inventory;
- (3) General Intangibles;
- (4) Documents;
- (5) Instruments;
- (6) Equipment and all Goods;
- (7) Commercial Tort Claims;
- (8) Investment Property;
- (9) Letter of Credit Rights;
- (10) All cash, and all demand, time, savings, passbook and like accounts maintained by Debtor with any bank, savings and loan association, credit union or like organization, and any other monies of Debtor;
- (11) All property and interests in property of Debtor now or hereafter coming into the actual possession, custody or control of Secured Party or any of its agents (whether for safekeeping, deposit, custody, pledge, transmission, collection or otherwise);
- (12) All books and records (including, without limitation, customer lists, credit files, computer programs, printouts and other computer materials and records) of Debtor pertaining to any of the property described in clauses (1) through (11), above;
- (13) All additions, accessions, accessories, and replacements of any of the property described in clauses (1) through (12), above; and
- (14) All products and Proceeds of all or any of the types or items of property described in clauses (1) through (13) above.

(All of the above-described property is referred to herein collectively as the "**Collateral**").

As used herein, the term: (a) "Agent" shall mean National City Bank of Indiana, as Collateral Agent and Administrative Agent for the Lenders; (b) "Account" shall mean each "account" (as such term is defined in Article 9.1 of the UCC), now owned or hereafter acquired by Debtor, and the term "Accounts" refers to all of such rights to payment of Debtor, and includes without limitation, all rights of Debtor to payment of a monetary obligation for property sold, leased, licensed, assigned or otherwise disposed of or for services rendered or to be rendered which are not evidenced by an instrument or chattel paper, whether or not it has been earned by performance, now owned or hereafter acquired by Debtor, and shall also mean and include, without limitation, all accounts receivable, contract rights, book debts, notes, drafts and other obligations or indebtedness owing to Debtor arising from the sale, lease or exchange of goods or other property by it and/or the performance of services by it and all of Debtor's rights in, to and under all purchase orders for goods, services or other property, and all of Debtor's rights to any goods, services or other property represented by any of the foregoing (including without limitation returned or repossessed goods and unpaid sellers' rights of rescission, replevin, reclamation and rights to stoppage in transit), in each case whether now in existence or hereafter arising or acquired including, without limitation, the right to receive the proceeds of said purchase orders and contracts and all collateral security and guarantees of any kind given by any person or entity with respect to any of the foregoing; (c) "Account Debtor" shall mean "account debtor" (as defined in the UCC); (d) "Commercial Tort Claims" shall mean any claim of Debtor arising in tort as described on Exhibit A, attached hereto; (e) "Credit Agreement" shall mean the Amended and Restated Credit Agreement, dated as of February 28, 2003, among the Borrower, Lenders and the Agent, as the same may be amended, modified, supplemented, and/or restated from time to time; (f) "Default Rate" shall mean the per annum rate of interest described in Section 2.11 of the Credit Agreement; (g) "Documents" shall mean all "documents" (as defined in the UCC) or other receipts covering, evidencing or representing goods, now owned or hereafter acquired by Debtor; (h) "Equipment" shall mean all goods and property of Debtor as constitutes "equipment" (as defined in the UCC), now owned or hereafter acquired by Debtor, wherever located, including, without limitation, all machinery, all manufacturing, distribution, selling, data processing and office equipment, all furniture, furnishings, appliances, fixtures and trade fixtures, tools, tooling, molds, dies, vehicles, vessels, trucks, buses, motor vehicles and all other goods of every type and description (other than Inventory); (i) "General Intangibles" shall mean all "general intangibles" (as defined in the UCC), now owned or hereafter acquired by Debtor, including, without limitation, (i) all obligations or indebtedness owing to Debtor (other than Accounts) from whatever source arising, (ii) all Patent Licenses, Patents, Trademark Licenses, Trademarks, rights in intellectual property, inventions, goodwill, trade secrets, copyrights, permits and licenses now existing or hereafter arising, (iii) all tax refunds and all rights or claims in respect of refunds for taxes paid, now existing or hereafter arising, (iv) all rights in respect of any pension plan or similar arrangement maintained for employees of Debtor now or hereafter arising, and (v) all software now existing or hereafter arising; (j) "Goods" shall mean all "goods" (as defined in the UCC); (k) "Instruments" shall mean all "instruments", "chattel paper" or "letters of credit" (each as defined in the UCC), now owned or hereafter acquired by Debtor; (l) "Inventory" shall mean all "inventory" (as defined in the UCC), now owned or hereafter acquired by Debtor, wherever located, and shall also mean and include, without limitation, all raw materials and other materials and supplies, work-in-process and finished goods and any products made or processed therefrom and all materials or accessories, if any, commingled therewith or added thereto; (m) "Investment Property" shall mean all "investment property" (as defined in the UCC), now owned or hereafter acquired by Debtor; (n) "Letter of Credit Right" shall mean a right of the Debtor, whether now existing or hereafter

arising, to payment or performance under a letter of credit, whether the beneficiary has demanded or is at the time entitled to demand payment or performance; (o) "Patents" shall mean all of the following: (i) all letters patent of the United States or any other country or jurisdiction, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country or jurisdiction, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or jurisdiction or any political subdivision thereof, and (ii) all reissues, continuations, continuations-in-part or extensions thereof; (p) "Patent License" shall mean any agreement, whether written or oral, now or hereafter in existence granting to Debtor any right to practice any invention on which a Patent is in existence; (q) "Proceeds" shall mean all "proceeds" (as defined in the UCC) of all or any of the types or items of property described in (1) through (13) above, including insurance proceeds and proceeds of all warranty and tort claims, and all property of the types described in (1) through (13) above arising from or received by Debtor in connection with the sale or disposition thereof; (r) "Trademarks" shall mean all of the following: (i) all copyrights (including copyrights for computer programs), trademarks, trade names, domain names, corporate names, company names, business names, fictitious business names, trade styles, service marks, designs, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or jurisdiction or any political subdivision thereof, and (ii) all reissues, extensions or renewals thereof; (s) "Trademark License" shall mean any agreement, whether written or oral, now or hereafter in existence granting to Debtor any right to use any Trademark; and (t) "UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of Indiana, Ind. Code § 26-1-1-1, *et seq.* Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

The security interest hereby granted to Secured Party is given to secure the performance and payment when due of the Indebtedness. As used herein, the term "**Indebtedness**" shall mean, collectively:

- (1) all Secured Obligations; and
- (2) all costs, expenses and reasonable attorneys' fees incurred by Secured Party in the enforcement or collection of the Obligations or in the enforcement of this Security Agreement.

Debtor represents and warrants to and agrees with Secured Party as follows:

1. The Collateral.

(a) Title. Debtor has or will acquire, and will maintain full and absolute title in Debtor to the Collateral, free of all security interests, liens and encumbrances other than the security interest herein granted to Secured Party, Customary Permitted Liens and Liens disclosed on Schedule 7.3(A)(6) of the

Credit Agreement (collectively, the “**Permitted Liens**”), and has full power to subject the Collateral to the security interest granted by this Security Agreement. Subject to Section 1(e) hereof, Debtor has defended and will defend the Collateral against all adverse claims other than Permitted Liens, and will maintain full and exclusive possession and control of all Goods at only the locations indicated on Schedule 1 attached hereto, except for such Goods which are (i) temporarily in transit between such locations, (ii) on consignment with customers or (iii) temporarily stored with third parties or held by third parties for storage, processing, manufacturing, engineering, evaluation, or repair, the value of which does not exceed in the aggregate at any one time \$250,000. Debtor hereby agrees that Debtor (i) shall deliver to Secured Party warehouse receipts covering that portion of the Collateral, if any, located in warehouses and for which warehouse receipts are issued, (ii) during the continuance of an Event of Default, shall cause any and all Goods located in warehouses to be transferred to warehouses designated by Secured Party, or shall take such other steps as are reasonably deemed necessary by Secured Party to maintain Secured Party's control of the Goods, and (iii) shall obtain waivers of Liens and access agreements in substantially the form of **Exhibit B** hereto (or such other form as may be agreed to by Secured Party) from the appropriate Person with respect to all arrangements pursuant to which Inventory and/or Equipment will be temporarily held by third parties for storage, processing, engineering, evaluation, or repair after the Closing Date where: (A) the Goods located at any one premises owned or operated by any such Person has a value in the aggregate of \$250,000 or greater or (B) the aggregate value of the Goods located at all premises owned or operated by any such Person is \$1,000,000 or greater. Except with respect to Permitted Liens, no financing statement, mortgage, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction in which such filing or recording would be effective to perfect a lien or security interest on such Collateral. If any Collateral is at any time in the possession or control of any warehouseman, bailee, consignee or any of Debtor's agents or processors, Debtor shall notify such warehouseman, bailee, consignee, agent or processor of the security interests granted or created hereby and to hold all such Collateral for Secured Party's account subject to Secured Party's instructions.

(b) Condition-Location. Debtor shall maintain the Collateral in good condition, repair and operating order, ordinary wear and tear excepted, and shall not permit it in any respect to be wasted, destroyed, or used in violation of law. Secured Party, and its authorized representatives, may come upon Debtor's property to examine and inspect the Collateral at any reasonable time or times during normal business hours, and for the purpose of conducting appraisals and audits of the Collateral. Debtor shall keep full and accurate books and records relating to the Collateral in accordance with generally accepted accounting principles. Unless Secured Party otherwise consents, all business records constituting, relating to or evidencing any of the Collateral shall be located at Debtor's principal place of business located at 5400 West 86<sup>th</sup> Street, Indianapolis, Indiana 46268 (“**Debtor's Chief Executive Office**”), except as permitted in Section 1(g) below.

(c) Taxes, Assessments. Debtor shall promptly pay, as they become due and payable, all taxes and assessments imposed upon the Collateral or for its use or operation or upon this Security Agreement, except where Debtor is contesting such taxes and assessments as permitted by the terms of the Credit Agreement.

(d) Insurance. Debtor will maintain or will cause to be maintained on its behalf policies of property and casualty insurance covering the Collateral issued by fiscally sound and reputable insurers, which policies of insurance shall be in such amounts, with such deductibles and against such liabilities and hazards, as customarily are maintained by other companies operating similar businesses. All such policies of insurance shall be in form and substance reasonably satisfactory to the Secured Party. Each policy of insurance insuring all or any part of the Collateral shall (i) contain an endorsement naming Secured Party as an additional insured and loss payee under a secured lender's loss payable clause, and (ii) provide that the insurer will give Secured Party thirty (30) days' prior written notice of the termination of such policy. Upon request by Secured Party, Debtor shall deliver to Secured Party a certificate of insurance in respect of each such policy of insurance required hereby, and evidence of the payment of all premiums therefor when due. If Debtor at any time or times hereafter shall fail to obtain or maintain or to cause to be maintained on its behalf any of the policies of insurance required by this Security Agreement or to pay any premium in whole or in part relating thereto, then Secured Party, without waiving or releasing any Indebtedness or Event of Default, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which Secured Party deems advisable. After the occurrence of any Event of Default, and so long as such Event of Default is continuing unremedied, Secured Party is hereby authorized to act as attorney-in-fact for Debtor in making, adjusting and settling claims under and to the extent needed to reduce any Indebtedness, endorsing Debtor's name on any drafts drawn by insurers of the Collateral. Proceeds of such property and casualty insurance shall be paid to and held by Secured Party as cash Collateral, provided that (i) so long as no Event of Default has occurred and is continuing, such proceeds shall be released by Secured Party to Debtor to the extent that such proceeds are used by Debtor solely to repair or replace the lost, damaged or destroyed Collateral, and (ii) after the occurrence of an Event of Default which is continuing, such proceeds shall be applied against the Indebtedness in accordance with the Credit Agreement.

(e) Protection of Collateral. Except in the ordinary course of its business, Debtor shall not, without the prior written consent of Secured Party, sell, assign, transfer, or otherwise dispose of any of the Collateral or any of Debtor's right, title or interest therein, and shall not otherwise do or permit anything to be done or occur that may impair the Collateral as security hereunder.

(f) Accounts. Each Account subject to the security interest of Secured Party: (i) is not and will not be subject to any agreement wherein an Account Debtor on any Account may claim a deduction or discount except as reflected on

the document evidencing the Account; (ii) is and will be owned by Debtor (and Debtor shall have the right to subject such Account to the security interest of Secured Party); and (iii) will not be sold, assigned or transferred to any person and Debtor will defend the same against any person claiming an interest in such Account adverse to the interest of Secured Party. Upon the occurrence and during the continuance of any Default, upon request of Secured Party, Debtor will promptly notify (and Debtor hereby authorizes Secured Party so to notify) each Account debtor in respect of any Account or Instrument that such Collateral has been assigned to Secured Party, and that any payments due or to become due in respect of such Collateral are to be made directly to Secured Party or its designee. Debtor has taken all actions necessary under the UCC to perfect its interest in any Accounts purchased or otherwise acquired by it, as against its assignors and creditors of its assignors.

(g) Name, Location, Organization, Authorization. Debtor hereby warrants and represents to Secured Party that (i) Debtor's true legal name, federal identification number, organizational number and state of formation are accurately reflected on Schedule 1 attached hereto and the Chief Executive Office described above is true and accurate, (ii) Debtor is qualified to do business in only those states listed on Schedule 1 attached hereto, (iii) all locations of Debtor are listed on Schedule 1 attached hereto, and (iv) Debtor is duly formed and validly existing under the laws of the state of its formation. Debtor has not, during the six (6) years preceding the date of this Security Agreement, been known as or used any corporate, fictitious, or assumed name other than the name by which it is identified in this Security Agreement. Debtor will not change (i) the location of Debtor's Chief Executive Office or its state of formation; (ii) the location of any Collateral if such change would cause the lien and security interest of Secured Party in such Collateral to lapse or cease to be perfected either immediately upon the movement thereof or after the passage of time; or (iii) its name, identity or corporate structure in any manner unless it shall have given Secured Party not fewer than thirty (30) days' prior written notice thereof. This Security Agreement creates in favor of Secured Party a legal, valid and enforceable security interest in the Collateral. When financing statements have been filed in the appropriate offices against Debtor, Secured Party will have a fully perfected first priority lien on, and security interest in, the Collateral in which a security interest may be perfected by such filing, subject only to Permitted Liens. No authorization, approval or other action by, and no notice to or filing with, any Governmental Authority that has not already been taken or made and which is in full force and effect, is required (i) for the grant by Debtor of the security interest in the Collateral granted hereby, (ii) for the execution, delivery or performance of this Security Agreement by Debtor; or (iii) for the exercise by Secured Party of any of its rights or remedies hereunder.

(h) Licenses, Patents, etc. Debtor possesses adequate assets, permits (including those required under applicable federal, state, and local environmental health and safety statutes and regulations) licenses, patents, patent applications, copyrights, trademarks, trademark registrations and applications, and trade names to continue to conduct its business as presently conducted by it, and all permits,

licenses, patents, patent applications, copyrights, trademarks, trademark registrations and applications, and tradenames that are material to the conduct of such business as of the date hereof are identified on Schedule II attached hereto.

2. Financing Statements, Certificates, Etc. Debtor will, from time to time, at its expense, execute, deliver, file and record, as applicable, any statement, assignment, instrument, document, agreement or other paper and take any other action, (including, without limitation, any filings with the United States Patent and Trademark Office and any filings of financing or continuation statements under the UCC) that from time to time may be necessary, or that Secured Party may reasonably request, in order to create, preserve, perfect, confirm, validate, or protect the security interests granted or created pursuant to this Security Agreement or to enable Secured Party to obtain the full benefits of this Security Agreement, or to enable Secured Party to exercise and enforce any of its rights, powers and remedies hereunder with respect to any of the Collateral. To the extent permitted by law, Debtor hereby authorizes Secured Party to file financing statements and continuation statements to perfect Secured Party's security interest in the Collateral without Debtor's signature or authorization appearing thereon. Debtor agrees that a carbon, photographic, photostatic or other reproduction of this Security Agreement or of a financing statement is sufficient as a financing statement. To the full extent permitted by law, Debtor authorizes Secured Party and grants to Secured Party a power of attorney (which is coupled with an interest and is irrevocable) to sign on Debtor's behalf and file financing statements, continuation statements, applications for certificates of title, notices, affidavits, and other documents and amendments thereto that Secured Party reasonably deems necessary or desirable for the purpose of perfecting, protecting, and preserving the lien and security interest of Secured Party in the Collateral or for the purpose of transferring and delivering title to all or any part of the Collateral. Secured Party agrees to provide Debtor with a carbon, photographic or photostatic copy of any financing or continuation statement or other document concerning the Collateral filed by Secured Party. Debtor shall pay the reasonable costs, fees, and expenses of, or incidental to, the perfection, protection and preservation of Secured Party's lien and security interest in the Collateral, including without limitation any recording or filing fees, recording taxes, stamp taxes, and certificate of title application fees incurred in connection with the filing or recording of all financing and continuation statements and other documents concerning the Collateral.

At Debtor's cost and expense, Debtor shall:

(a) Upon the request of Secured Party after the occurrence of a Default, deliver to Secured Party all notes or other instruments now or hereafter evidencing or securing any of the Collateral or any guaranty or security therefor, together with appropriate endorsements and assignments;

(b) Upon request by Secured Party or any of the Lenders, deliver to Secured Party certified schedules, in such form as may be specified in such request, identifying the Collateral, or such part thereof as may be specified in such request, together with such supporting documents and information as may be reasonably requested by Secured Party or any Lender;

(c) Upon the request of Secured Party after the occurrence of a Default, immediately deliver or cause to be delivered to Secured Party, in due



form for transfer (i.e., endorsed in blank or accompanied by duly executed blank stock or bond powers), all securities, instruments, and documents of title (subject to (e) below), if any, at any time representing all or any of the Collateral;

(d) Upon the request of Secured Party after the occurrence of a Default, cause Secured Party's lien and security interest to be at all times duly noted on all certificates of title issuable with respect to any of the Collateral and forthwith deliver or cause to be delivered to Secured Party each such certificate of title (except for certificates of title issued with respect to Collateral that is subject to a Permitted Lien that is prior to the lien and security interest of Secured Party therein);

(e) Acquire and maintain its property in a manner that will enable such property to become subject to the lien and security interest granted under this Security Agreement;

(f) Acquire and maintain the consent or approval of any person or entity whose consent or approval is required to the granting of a lien or security interest in any Collateral to the Secured Party;

(g) Upon the request of Secured Party after the occurrence of a Default, cause all chattel paper (as defined in the UCC) to be clearly stamped or marked to indicate that such chattel paper is subject to a lien and security interest in favor of Secured Party or deliver such chattel paper to Secured Party; and

(h) Notify Secured Party of any Commercial Tort Claim that arises after the date hereof and grant to Secured Party a security interest therein.

Without in any respect limiting the generality of the foregoing, Debtor agrees that it will, at its cost and expense, execute, acknowledge, and deliver to the Secured Party an assignment of those registrations and recordings of and applications for copyrights in the United States Copyright Office and those Trademarks and Patents in the United States Patent and Trademark Office which Secured Party in its reasonable judgment deems to be material to the business of Debtor and the goodwill of the business in connection with which each of such Trademarks are used and which is symbolized by such Trademarks, in form and substance acceptable to Secured Party and appropriate for recording in the United States Copyright Office or the United States Patent and Trademark Office, as applicable, in the event Secured Party determines by reason of one or more changes in or clarifications of applicable statutes or regulations or judicial decisions occurring after the date hereof, and/or the discovery of existing legal precedent or authority not previously considered by Secured Party, that the recording of such an assignment or assignments in such offices is necessary to create, perfect or preserve a lien upon, security interest in, or collateral assignment of such copyrights, Patents and Trademarks that is valid against subsequent purchasers, lienholders, secured parties, or assignees under the UCC and such assignment will not adversely affect the Debtor's rights to use such copyrights, Patents and Trademarks in its business and protect them from infringement.

3. General Covenants.

(a) Debtor agrees to pay promptly when due all taxes, assessments and governmental charges upon or against the Collateral, or Debtor, or for the property or operations of Debtor, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in accordance with the terms of the Credit Agreement. Debtor shall give written notice to Secured Party of all happenings and events having a material adverse effect on the Collateral or the value or amount thereof; including, without limitation, the creation or assertion of any lien or security interest against any of the Collateral that is not a Permitted Lien.

(b) In the event Debtor fails to pay taxes, assessments, costs and expenses which Debtor is required to pay or in the event Debtor fails to keep the Collateral free from other security interests, liens or encumbrances not permitted under the terms of this Security Agreement, Secured Party may make expenditures for any and all such purposes. All costs and expenses of Secured Party in retaking, holding, preparing for sale and selling or otherwise realizing upon any Collateral or enforcing any provisions hereof, including reasonable attorneys' fees, shall constitute part of the Indebtedness, and shall bear interest from the date incurred at the Default Rate.

(c) Debtor shall: (i) at all reasonable times during normal business hours, allow Secured Party and its representatives and each of the Lenders to examine, inspect and/or make abstracts from Debtor's books and records and to arrange for verification of Collateral, under reasonable procedures, which in the case of Accounts may be made directly with the Account Debtors or by other methods; provided, however, that until the occurrence of an Event of Default which is continuing, Secured Party shall endeavor (subject to receiving Debtor's cooperation and assistance) to utilize procedures reasonably calculated to avoid communicating to Account Debtors that such inquiries directed to Account Debtors are requested for the benefit of the Secured Party; (ii) furnish to Secured Party upon request additional statements of any Account, together with all notes or other papers evidencing the same and any guaranty, security or other information relating thereto; and (iii) furnish or cause to be furnished to Secured Party written reports of any changes that would be required to be made to the Schedules to this Security Agreement in order for the information contained in such Schedules to remain accurate, at or before the time events requiring such changes occur.

4. Processing, Sale and Collections. Until the occurrence of an Event of Default which is continuing and receipt from Secured Party of written notice of the revocation of Debtor's authority, Debtor:

(a) Will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any Account, including the taking of such action with respect to such collection as Secured Party may reasonably request or, in the absence of such request, as Debtor may deem advisable; and

(b) May grant, in the ordinary course of business, to any Account Debtor, any rebate, refund or adjustment to which such Account Debtor 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 the obligation of the Account debtor.

However, at any time before or after any revocation of such authority or the maturity of any of the Indebtedness, but after the occurrence of an Event of Default which is continuing, Secured Party may notify any Account Debtor to make payment directly to Secured Party of any amounts due or to become due and enforce the collection of any Account or contract right 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.

If requested by Secured Party, Debtor will note the security interest of Secured Party on all records relative to the Collateral, including without limitation (but only after the occurrence of an Event of Default which is continuing) any invoice that evidences an Account.

5. Performance by Secured Party of Debtor's Agreements. Secured Party may, but shall have no duty to, perform any agreement of Debtor hereunder which Debtor shall have failed to perform, and Debtor will forthwith reimburse Secured Party for any payment made or any expense incurred by Secured Party in connection with such performance. Such payments and expenses shall constitute a part of the Indebtedness and shall bear interest at the Default Rate from the date incurred by Secured Party. Notwithstanding anything herein to the contrary, (a) Debtor shall remain solely liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Security Agreement had not been executed, (b) the exercise by Secured Party of any of its rights hereunder shall not release Debtor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) Secured Party shall have no responsibility, obligation or liability under the contracts and agreements included in the Collateral by reason of this Security Agreement, nor shall Secured Party be required or obligated, in any manner, to (i) perform or fulfill any of the obligations or duties of Debtor thereunder, (ii) make any payment, or make any inquiry as to the nature or sufficiency of any payment received by Debtor or the sufficiency of any performance by any party under any such contract or agreement or (iii) present or file any claim, or take any action to collect or enforce any claim for payment assigned hereunder.

6. Events of Default. The occurrence of each of the following events shall constitute an Event of Default by Debtor under this Security Agreement (referred to herein as an "Event of Default"):

- (a) The occurrence of any Event of Default under the Credit Agreement; and
- (b) Any breach by Debtor of any term, covenant or provision of this Security Agreement which shall continue unremedied for five (5) days after Debtor's actual receipt of written notice of such default from Secured Party.

7. General Authority. Debtor hereby irrevocably appoints the Secured Party its true and lawful attorney, with full power of substitution, in the name of Debtor, Secured Party or otherwise, for the sole use and benefit of Secured Party, but at Debtor's expense, to the extent permitted by law, to exercise at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral:

(a) To demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof;

(b) To settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(c) To sell, transfer, assign or otherwise deal in or with the Collateral or the proceeds or avails thereof, as fully and effectively as if Secured Party were the absolute owner thereof;

(d) To extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto; and

(e) To make all necessary or appropriate transfers of all or any part of the Collateral in connection with any sale, lease or other disposition thereof pursuant to this Security Agreement, and to execute and deliver any documents necessary or appropriate to effect, evidence or facilitate such sale, lease or other disposition.

8. Remedies Upon Default. Time is of the essence of this Security Agreement. Upon the occurrence of any Event of Default by Debtor under this Security Agreement and at any time thereafter (such Event of Default not previously having been cured), the Required Lenders shall be entitled, by written or telegraphic notice to Debtor, to declare all of the Indebtedness owed to Lenders to be immediately due and payable, whereupon the same shall become immediately due and payable, without presentation, demand, protest, notice of protest, or other notice of dishonor of any kind, all of which are hereby expressly waived. In addition, upon the occurrence of any Event of Default and at any time thereafter (such Event of Default having not previously been cured) to the full extent necessary to satisfy the Indebtedness, Secured Party shall have all the remedies of a secured party under the UCC and as otherwise provided by applicable law, including but not limited to the following: Secured Party may take possession of the Collateral and may use it after having done so. For purposes of taking possession, Secured Party may enter upon any premises on which the Collateral may be situated without legal process and remove the Collateral. Debtor releases Secured Party from any claims arising from such removal and shall hold Secured Party harmless from any liability resulting therefrom. Secured Party may require Debtor to assemble the Collateral and make it available at a place to be designated by Secured Party which is reasonably convenient to all parties. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give Debtor at least ten (10) days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. Upon any such sale Secured Party shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each

purchaser at any such sale shall hold the Collateral so sold to it absolutely and free from any claim or right of whatsoever kind, including any equity or right of redemption of Debtor which may be waived, and Debtor, to the extent permitted by law, hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted. The notice (if any) of such sale shall (1) in case of a public sale, state the time and place fixed for such sale, and (2) in the case of a private sale, state the day after which such sale may be consummated. Debtor agrees that such notice constitutes a "reasonable time" within the meaning of Section 9.1-612(a) of the UCC. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as Secured Party may fix in the notice of such sale. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as Secured Party may determine. Secured Party shall not be obligated to make any such sale pursuant to any such notice. Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by Secured Party until the selling price is paid by the purchaser thereof, but Secured Party shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. Secured Party, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose its security interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction. The expenses of retaking, holding, preparing for sale, selling and the like, and reasonable attorneys' fees and expenses incurred by Secured Party, may be paid from the proceeds of the disposition. Secured Party may obtain the appointment of a receiver respecting the Collateral upon such notice as may be required by applicable law and without notice if permitted by such law, and may obtain immediate possession thereof in replevin. Insofar as Collateral shall consist of Accounts, insurance policies, instruments, chattel paper, choses in action or the like, Secured Party may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose or realize upon Collateral, whether or not then due, and as Secured Party may determine, for the purpose of realizing Secured Party's rights therein, Secured Party may receive, open and dispose of mail addressed to Debtor and endorse notes, checks, drafts, money orders, documents of title or other evidences of payment, shipment or storage or any form of Collateral on behalf of and in the name of Debtor, as its attorney-in-fact. All remedies of Secured Party shall be cumulative to the full extent provided by law. Pursuit by Secured Party of certain judicial or other remedies shall not abate nor bar resort to other remedies with respect to the Collateral, and pursuit of certain remedies with respect to all or some of the Collateral shall not bar other remedies with respect to the Indebtedness or to other portions of the Collateral. Secured Party may exercise its rights to the Collateral without resorting or regard to other collateral or sources of security or reimbursement for the Indebtedness.

9. Nonwaiver, Expenses, Proceeds of Collateral. No waiver by Secured Party of any of its rights shall be effective unless in writing, and in no event shall it operate as a waiver of any other of its rights or of the same rights on any future occasion.

Debtor shall pay to Secured Party on demand any and all expenses, including reasonable attorneys' fees, incurred or paid by Secured Party in perfecting, protecting or enforcing its rights upon or with respect to the Collateral. After deducting all of said expenses

the residue of any proceeds of collection or sale of Collateral shall be applied to the payment of the Indebtedness in accordance with the terms of the Credit Agreement, and the Debtor shall remain fully liable for any deficiency.

10. Limitation on Duty of Secured Party in Respect of Collateral. Beyond the exercise of reasonable care in the custody thereof, Secured Party shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. Secured Party shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by Secured Party in good faith. Secured Party shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the security interests granted or created hereunder in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder. Secured Party shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Security Agreement by Debtor.

11. Construction. Should applicable law confer any rights or impose any duties inconsistent with or in addition to any of the provisions of this Security Agreement, the affected provisions of this Security Agreement shall be considered amended to conform to such law, but all other provisions hereof shall remain in full force and effect without modification.

12. Successors in Interest. This Security Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors, assigns and legal representatives. If at any time or times by assignment or otherwise Secured Party transfers any of the Collateral, such transfer shall carry with it Secured Party's power and rights under this Security Agreement with respect to the Collateral transferred and the transferee shall become vested with said powers and rights whether or not they are specifically referred to in the transfer. If and to the extent Secured Party retains any other Collateral, Secured Party will continue to have the rights and powers herein set forth with respect thereto.

13. Release. Notwithstanding anything in this Security Agreement to the contrary, should the Leverage Ratio be equal to or less than 1.25 to 1.00 for three (3) consecutive fiscal quarters (as demonstrated to Lenders' reasonable satisfaction by balance sheets, financial statements, compliance certificates and like items delivered by Borrower to Lenders with respect to such three (3) fiscal quarters pursuant to the terms of the Credit Agreement), then so long as no Default or Event of Default is continuing under any of the Loan Documents, this Security Agreement and all security interests and lien rights granted by Debtor hereunder shall be fully terminated and released.

14. Governing Law - Jurisdiction. DEBTOR HEREBY ABSOLUTELY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, THIRD-PARTY CLAIM OR OTHERWISE, IN ANY LEGAL ACTION OR PROCEEDING ARISING IN ANY WAY OUT OF OR WHICH IN ANY WAY INVOLVES ANY OF THE RIGHTS, OBLIGATIONS OR REMEDIES OF

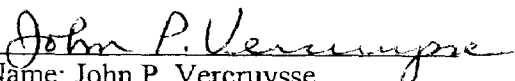
ANY PARTY TO THIS SECURITY AGREEMENT OR ANY DOCUMENT EXECUTED OR DELIVERED PURSUANT TO OR OTHERWISE IN CONNECTION WITH THIS SECURITY AGREEMENT. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS SECURITY AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF INDIANA WITHOUT REGARD TO ITS CHOICE OR CONFLICTS OF LAWS PROVISIONS. DEBTOR AGREES THAT THE COURTS OF THE STATE OF INDIANA AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF INDIANA HAVE NON-EXCLUSIVE JURISDICTION OVER ANY AND ALL ACTIONS AND PROCEEDINGS INVOLVING THIS SECURITY AGREEMENT OR ANY OTHER SECURITY AGREEMENT MADE IN CONNECTION HERewith AND DEBTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES TO SUBMIT TO THE JURISDICTION OF SUCH COURTS FOR PURPOSES OF ANY SUCH ACTION OR PROCEEDING. DEBTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION THAT DEBTOR MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING, INCLUDING ANY CLAIM THAT SUCH COURT IS AN INCONVENIENT FORUM, AND CONSENTS TO SERVICE OF PROCESS PROVIDED THE SAME IS IN ACCORDANCE WITH THE TERMS HEREOF. FINAL JUDGMENT IN ANY SUCH PROCEEDING AFTER ALL APPEALS HAVE BEEN EXHAUSTED OR WAIVED SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT.

15. Preservation of Rights. No delay or omission of the Secured Party to exercise any right under this Security Agreement shall impair such right or be construed to be a waiver of any Event of Default or an acquiescence therein. Any single or partial exercise of any right shall not preclude other or further exercise thereof or the exercise of any other right.

Executed and delivered as of the 28th day of February, 2003.

**“DEBTOR”:**

ASPHALT MATERIALS, INC., an Indiana corporation

By:   
Name: John P. Vercruysse  
Title: Vice President, Chief Financial Officer  
and Treasurer

Address:

ASPHALT MATERIALS, INC.  
5400 West 86th Street  
Indianapolis, Indiana 46268  
Attn: John P. Vercruysse  
Telephone: 317-872-6010  
Telecopier: 317-872-6327

ACKNOWLEDGEMENT

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

Before me, a Notary Public in and for said County and State, personally appeared John P. Vercruysse, the Vice President, Chief Financial Officer and Treasurer of Asphalt Materials, Inc., an Indiana corporation, who, being first duly sworn, acknowledged the execution of the foregoing Security Agreement for and on behalf of such general partnership, as its duly authorized officer.

Witness my hand and Notarial Seal this 28th day of February, 2003.

Kerry Davis  
Notary Public

Printed Name: Kerry D. Davis

Resident of Marion County, Indiana.

My Commission Expires: 9-24-07





**EXHIBIT A**

**(Commercial Tort Claims)**

**None.**

**EXHIBIT B**

**Form of Bailee Letter**

National City Bank of Indiana (the "Collateral Agent")  
One National City Center  
Indianapolis, Indiana 46255  
Attention: Michael D. Hurst

Ladies and Gentlemen:

\_\_\_\_\_ (the "Debtor"), now does or hereafter may store certain of its merchandise, inventory, or other of its personal property at premises located at \_\_\_\_\_ (the "Premises") owned or leased by the undersigned.

Debtor and/or certain affiliates of Debtor have entered into certain financing arrangements with Collateral Agent, National City Bank of Indiana, as Administrative Agent, and certain other lender parties (collectively, the "Lenders"), and the Lenders require, among other things, that Debtor grant liens in favor of the Lenders on all of Debtor's property located on the Premises ("Collateral").

To induce Lenders (together with their respective agents, successors and assigns) to enter into said financing arrangements, and for other good and valuable consideration, the undersigned hereby agrees that:

(i) it will not assert against any of Debtor's assets any statutory or possessory liens, including, without limitation, rights of levy or distraint for rent, all of which it hereby waives;

(ii) the Collateral shall be identifiable as being owned by Debtor and kept reasonably separate and distinct from other property in our possession; and

(iii) if Debtor defaults on its obligations to Lenders and, as a result, Lenders undertake to enforce their security interest in the Collateral, the undersigned will cooperate with Lenders in their efforts to assemble all of the Collateral located on the Premises and will permit Lenders to either remain on the Premises for ninety (90) days after Lenders give the undersigned notice of default or, at Lenders' option, to remove the Collateral from the Premises within a reasonable time, not to exceed ninety (90) days after Lenders give the undersigned notice of default, provided that Lenders leave the Premises in the same condition as existed immediately prior to such ninety (90) day period, and shall indemnify the undersigned for any damages arising solely out of its

occupancy of the Premises, and this will not hinder Lenders' actions in enforcing its liens on the Collateral.

Any notice(s) required or desired to be given hereunder shall be directed to the party to be notified at the address stated herein.

The agreements contained herein shall continue in force until all of Debtor's obligations and liabilities to Lenders are paid and satisfied in full and all financing arrangements among Lenders and Debtor and/or its affiliates have been terminated.

The undersigned will notify all successor owners, transferees, purchasers and mortgagees of the existence of this agreement. The agreements contained herein may not be modified or terminated orally and shall be binding upon the successors, assigns and personal representatives of the undersigned, upon any successor owner or transferee of any of the Premises, and upon any purchasers, including any mortgagee, from the undersigned.

Executed and delivered this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_.

*[Name and Address of Bailee]*

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

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

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

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SCHEDULE 1

Federal Identification Number, Organizational Number, State of Formation,  
States where Qualified to do Business and  
Location of Equipment and Inventory

<u>Debtor</u>	<u>Federal Identification Number</u>	<u>Organizational Number</u>	<u>State of Formation</u>	<u>States where Qualified to do Business</u>	<u>Location of Equipment and Inventory</u>
Asphalt Materials, Inc., an Indiana corporation	35-1002095	194251-029	Indiana	Indiana, Kentucky, Ohio, Texas and West Virginia	300 East Dixie Avenue Elizabethtown, KY 42701  5400 West 86 <sup>th</sup> Street Indianapolis, IN 46268  4902 West 86 <sup>th</sup> Street Indianapolis, IN 46268  RD4, Box 188 Marietta, OH 45750  184 Marion-Williamsport Road West Marion, OH 43302  940 North Wynn Road Oregon, OH 43616  2901 Ohio Boulevard, Suite 121 Terre Haute, IN 47803

## SCHEDULE 2

(Permits, License, Patents, and Patent Application,  
Copyrights, Trademarks, Trademark Registrations  
And Applications, and Tradenames)

### Patents

<u>Country</u>	<u>Application Number</u> <u>Patent Number</u>	<u>Filing Date</u>
Australia	25288/88 622136	August 29, 1988
Belgium	89111613.9 EP348867	June 26, 1989
Canada	578,718 1,295,208	September 28, 1998
Switzerland	89111613.9 EP348867	June 26, 1989
Czech Republic	PV 3873-89 277036	June 27, 1989
East Germany	330006 287044	June 27, 1989
Germany	89111613.9 68900035.9	June 26, 1989
Denmark	806/90 806/90	August 29, 1988
Europe	8911613.9 0348867	June 26, 1989
Spain	8911613.9 EP348867	June 26, 1989
Finland	900956 98922	August 29, 1988

<u>Country</u>	<u>Application Number</u> <u>Patent Number</u>	<u>Filing Date</u>
France	8911613.9 EP348867	June 26, 1989
Georgia	957/01	July 31, 1993
Greece	8911613.9 EP348867	June 26, 1989
Croatia	P940223A	April 1, 1994
Hungary	5864/88 210670	August 29, 1988
Iceland	3487 1721	June 27, 1989
Italy	8911613.9 EP348867	June 26, 1989
Japan	507983/88 2,023,367	August 29, 1988
Republic of Korea	90-700423 128,735	August 29, 1988
Lithuania	IP 1562 3721	August 29, 1988
Luxembourg	8911613.9 EP348867	June 26, 1989
Latvia	P93/1047 11332	August 27, 1993
Netherlands	8911613.9 EP348867	June 26, 1989
Norway	901,456 176,055	August 29, 1988
Poland	P280262 163,713	June 27, 1989

Patent Number

Portugal	90983 90983	June 27, 1989
Russian Federation	4830003/05 2,141,982	August 29, 1988
Sweden	8911613.9 EP348867	June 26, 1989
Slovenia	P 1315/89 8911315	January 20, 1993
Turkey	33799/89 24982	June 27, 1989
Ukraine	4830003.05	August 29, 1988
USA	07/211,775 4,874,432	June 27, 1988
PCT	US88/02986	August 29, 1988
Yugoslavia	P-1315/89	June 27, 1989

Trademarks

1. "Green Asphalt – TM Serial # 76010347 (Affidavit of Use presently pending)
2. "T-Bond" – Registration # 2,191,985
3. "Low Energy Asphalt" – Registration # 2,390,243

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Schedule 2  
Page 3

RECORDED: 08/11/2003

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REEL: 002799 FRAME: 0437