

07-10-1998

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U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

MAD 6-17-98

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To the Honorable Commissioner of Patents and Trademarks

, attached original documents or copy thereof.

## 1. Name of conveying party(ies):

Eastern Associated Coal Corp.

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

## 3. Nature of conveyance:

- ☐ Assignment ☐ Merger
- ☒ Security Agreement ☐ Change of Name
- ☐ Other \_\_\_\_\_

Execution Date: June 9, 1998

## 2. Name and address of receiving party(ies):

Name: The First National Bank of Chicago,  
as Administrative Agent

Internal Address: \_\_\_\_\_

Street Address: Mail Suite 0362

One First National Plaza

City: Chicago State: IL ZIP: 60670

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

## 4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: \_\_\_\_\_

A. Patent Application No.(s)

B. Patent No.(s)

See attached Schedule A

Additional numbers attached? ☒ Yes ☐ No

## 5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Rosalind Rodburg

Internal Address: \_\_\_\_\_

Street Address: Latham &amp; Watkins

885 Third Avenue

City: New York State: NY ZIP: 10022

## 6. Total number of applications and patents involved:

2

7. Total fee (37 CFR 3.41): \$ 80.00

☒ Enclosed☐ Authorized to be charged to deposit account

## 8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

07/10/1998 DMGUYEN 00000059 4265353

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## 9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Rosalind Rodburg

Name of Person Signing

Signature

6-15-98

Date

Total number of pages comprising cover sheet:

PATENT

SCHEDULE A

Eastern Associated  
Coal Corp.

PATENTS

U.S. Patent Number	Name	Owner	Foreign Patent Relating to U.S. Patent	Country
4,265,353	Capsule Apparatus for Transporting a Disabled Person	Eastern Associated Coal Corp.		
5,680,925	Conveyor Belt Lift Apparatus	Eastern Associated Coal Corp.	74659/98	Australia

PATENT LICENSES

None

## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT, dated as of June 9, 1998 (this "Agreement"), made by EASTERN ASSOCIATED COAL CORP., a West Virginia corporation ("Grantor"), in favor of THE FIRST NATIONAL BANK OF CHICAGO (the "Secured Party"), as Administrative Agent on behalf of the Lenders (as defined hereinafter) under that certain Credit Agreement.

### RECITALS

WHEREAS, pursuant to the Amended and Restated Credit Agreement dated as of June 9, 1998 (as the same may be further amended, restated, modified or supplemented from time to time, the "Credit Agreement"), by and among P&L Coal Holdings Corporation, a Delaware corporation (the "Borrower"), the several lenders from time to time parties hereto (the "Lenders"), Lehman Brothers Inc., as arranger (in such capacity, the "Arranger"), Lehman Commercial Paper Inc., as syndication agent (in such capacity, the "Syndication Agent"), Bank of America National Trust & Savings Association and The Fuji Bank, Limited, each as documentation agent (in such capacity, the "Documentation Agents") and the Secured Party, as administrative agent for the Lenders (in such capacity, the "Administrative Agent," together with the Documentation Agent, Syndication Agent and the Arranger, the "Agents"), the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Grantor is a member of an affiliated group of companies that includes the Borrower;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to make valuable transfers to the Grantor in connection with the operation of their respective businesses and to finance the costs of the Acquisition;

WHEREAS, the Borrower and the Grantor are engaged in related businesses, and the Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement;

WHEREAS, the Grantor contemporaneously herewith became a party to the Guarantee and Collateral Agreement (as defined in the Credit Agreement) pursuant to which it has guaranteed the obligations of the Borrower under the Credit Agreement and of other subsidiaries of the Borrower under the Guarantee and Collateral Agreement and has agreed to provide collateral security for such guarantees;

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement that the Grantor shall have executed and delivered this Agreement to the Secured Party for the ratable benefit of the Agents and the Lenders; and

WHEREAS, the Grantor has adopted and is the owner of the patents described in Schedule A annexed hereto and made a part hereof;

NOW, THEREFORE, for and in consideration of the loans and advances to be made under the Credit Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Definitions: Terms defined in the Credit Agreement and not otherwise defined herein shall have the meanings set forth in the Credit Agreement. As used in this Agreement, unless the context otherwise requires:

“Patent License” shall mean all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent (as defined below), including, without limitation, any of the foregoing referred to on Schedule A attached hereto.

“Patent” or “Patents” shall mean (i) all letters patent of the United States or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, including, without limitation, any of the foregoing referred to on Schedule A attached hereto, (ii) all applications for letters patent and design letters patent of the United States and all divisions, continuations and continuations-in-part thereof, including, without limitation, any of the foregoing referred to on Schedule A, and (iii) all rights to obtain any reissues or extensions of the foregoing.

2. Grant of Security Interest: As security for all of the Grantor’s Obligations, Grantor hereby grants to the Secured Party, for the equal and ratable benefit of the Agents and the Lenders, a first priority security interest in all of Grantor’s right, title and interest in, to and under all of the following property now owned or at any time hereafter acquired by Grantor or in which Grantor now has or at any time in the future may acquire or develop any right, title or interest (collectively, the “Collateral”):

(i) each Patent, including, without limitation, the Patents and Patent Licenses referred to in Schedule A hereto and any reissues, continuations, continuations in part, divisions, reexaminations and extensions of any of the foregoing, the inventions claimed and disclosed in each Patent and Patent License, and any and all trade secrets and know-how related thereto;

(ii) each Patent License, including, without limitation, the Patent Licenses, if any, referred to in Schedule A hereto and the rights of Grantor to collect royalties now or hereafter arising under any licenses of Patents now or hereafter granted to any Person, including,

without limitation, all royalties arising under the licenses described in Schedule A; provided, however, such grant and assignment shall not extend to any Patent License which by its terms prohibits the grant of the security contemplated by this Agreement or would, upon such assignment or attempted assignment, give any other party to such Patent License the right to "reopen" any provision thereof or terminate its obligations thereunder and further provided, upon the termination of such prohibitions for any reason whatsoever or upon the consent of the applicable licensor with respect to such Patent License, the provisions of this Section 2 shall be deemed to apply thereto automatically; and

(iii) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Patent, including, without limitation, any Patent referred to in Schedule A.

3. Representations and Covenants: Grantor hereby represents, warrants, covenants and agrees as follows:

i) As of the date hereof, Schedule A hereto includes all Patents owned by Grantor in its own name as of the date hereof and all Patent Licenses to which Grantor is a party.

ii) The Grantor will perform all acts and execute all documents, including, without limitation, assignments for security in form suitable for filing with the United States Patent and Trademark Office, requested by the Secured Party at any time to evidence, perfect, maintain, record and enforce the Lenders' and the Agents' interest in the Collateral or otherwise in furtherance of the provisions of this Agreement, and the Grantor hereby authorizes the Secured Party to execute and file one or more financing statements (and similar documents) or copies thereof or of this Agreement with respect to the Collateral signed only by the Secured Party.

iii) The Grantor has the right and power to make the assignment and to grant the security interest herein granted; and the Collateral is not now, and at all times hereafter will not be, subject to any liens, mortgages, assignments, security interests or encumbrances of any nature whatsoever, except in favor of the Secured Party, and to the best knowledge of the Grantor none of the Collateral is subject to any claim.

iv) Except as otherwise permitted by the Credit Agreement or the Guarantee and Collateral Agreement, the Grantor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, grant an exclusive or non-exclusive license, or otherwise dispose of any of the Collateral, and nothing in this Agreement shall be deemed a consent by the Secured Party to any such action except as expressly permitted therein.

4. Events of Default and Remedies: Upon the occurrence of an Event of Default, the Secured Party and the Lenders shall have the rights set forth in the Credit Agreement and the Guarantee and Collateral Agreement.

5. Term: This Agreement shall terminate upon payment in full of all of Grantor's Obligations and termination of the Credit Agreement. Upon termination of this Agreement, the Secured Party shall, at the expense of Grantor, execute and deliver to Grantor all such releases and termination statements as may be reasonably necessary.

6. Additional Patents, Etc.: If at any time before the termination of this Agreement pursuant to Section 5 hereof, Grantor shall obtain or acquire rights in or licenses to any additional Patent or Patent License, or become entitled to the benefit of any patent application or patent for any reissue, divisions, continuation, renewal, extension or continuation-in-part of any patent or any improvement on any patent, the provisions of Section 2 shall automatically apply thereto and Grantor shall give the Secured Party prompt written notice thereof. Grantor authorizes the Secured Party to modify this Agreement by amending Schedule A to include any future patents, patent applications and patent licenses covered by Section 2 or by this Section 6 of this Agreement, and further authorizes the Secured Party to record such filings with the United States Patent and Trademark Office as may be required to perfect the Lien of the Secured Party in such future patents, patent applications and patent licenses covered by Section 2 or by this Section 6.

7. Miscellaneous:

i) No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement and executed by the party to be charged.

ii) In the event that any provision hereof shall be deemed to be invalid by any Court, such invalidity shall not affect the remainder of this Agreement.

iii) Any failure or delay by the Secured Party or the Lenders to require strict performance by the Grantor of any of the provisions, warranties, terms, and conditions contained herein or in any other agreement, document, or instrument, shall not affect the Secured Party's or the Lenders' right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to have been waived by any act or knowledge of the Agents, the Lenders, or any of their respective agents, officers, or employees, but only by an instrument in writing, signed by an officer of the Secured Party and directed to the Grantor, specifying such waiver.

iv) In the event of any conflict between the terms of this Agreement and the terms of either the Credit Agreement or the Guarantee and Collateral Agreement, the terms of the Credit Agreement or the Guarantee and Collateral Agreement, as the case may be, shall govern.

v) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of New York and by Federal law to the extent the same has preempted the law of the State of New York or such other jurisdiction.

vi) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

SCHEDULE A

Eastern Associated  
Coal Corp.

PATENTS

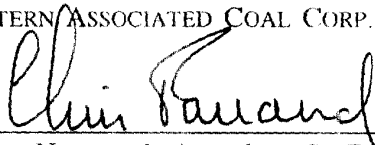
<b>U.S. Patent Number</b>	<b>Name</b>	<b>Owner</b>	<b>Foreign Patent Relating to U.S. Patent</b>	<b>Country</b>
4,265,353	Capsule Apparatus for Transporting a Disabled Person	Eastern Associated Coal Corp.		
5,680,925	Conveyor Belt Lift Apparatus	Eastern Associated Coal Corp.	74659/98	Australia

PATENT LICENSES

None

IN WITNESS WHEREOF, Grantor has caused this Agreement to be duly executed by its officer thereunto duly authorized as of the date hereof.

EASTERN ASSOCIATED COAL CORP.

By:   
Name: Christopher G. Farand  
Title: Vice President

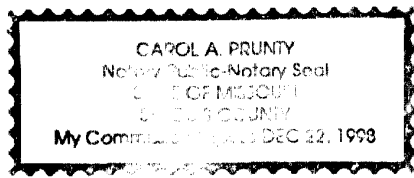
Accepted and Agreed to:

THE FIRST NATIONAL BANK OF CHICAGO,  
as Secured Party

By: \_\_\_\_\_  
Name:  
Title:

STATE OF Missouri )  
 ) ss:  
COUNTY OF St Louis

On June 3, 1998, before me, the undersigned, personally appeared Chris Faurand personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as Vice President of Eastern Associated Coal Corp. and acknowledged to me that said corporation executed it pursuant to its by-laws or a resolution of its board of directors.



Carol A. Prunty  
Notary Public in and for  
said County and State

My Commission Expires:

12-22-98

IN WITNESS WHEREOF, Grantor has caused this Agreement to be duly executed by its officer thereunto duly authorized as of the date hereof.

EASTERN ASSOCIATED COAL CORP.

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

Name:

Title:

Accepted and Agreed to:

THE FIRST NATIONAL BANK OF CHICAGO,  
as Secured Party

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

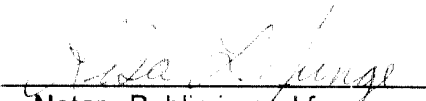
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Title:

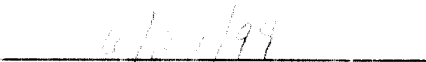
  
**WILLIAM V CLIFFORD**  
**Vice President**

STATE OF ILLINOIS )  
 ) ss:  
COUNTY OF COOK )

On June 4, 1998, before me, the undersigned, personally appeared William V. Clifford, Jr., personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as Vice President of The First National Bank of Chicago and acknowledged to me that said national banking association executed it pursuant to its by-laws or a resolution of its board of directors.

  
\_\_\_\_\_  
Notary Public in and for  
said County and State

My Commission Expires:

  
\_\_\_\_\_

