

05-21-1999



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PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

SECURITY AGREEMENT COVER LETTER

5-14-99

TO THE COMMISSIONER OF PATENTS AND TRADEMARKS:

Please record the attached original document or a copy thereof:

1. Name of conveying parties: Execution Date:
 Northwest Aluminum Company December 21, 1998

2. Name and address of receiving party:
 U.S. Trust Company, National Association
 One Embarcadero Center, Suite 2050
 San Francisco, CA 94111

3. Nature of conveyance:
 Assignment
 Security Agreement
 Merger
 Change of Name
 Other:

4. In re U.S. Patent No. 5,108,557
 Inventors: **Nordquist, James H.**
 Issued: April 28, 1992
 For: **ORE POINT FEEDER AND METHOD FOR SODERBERG
 ALUMINUM REDUCTION CELLS**

- In re U.S. Patent No. 5,571,346
 Inventors: **Bergsma, Craig S.**
 Issued: November 5, 1996
 For: **CASTING, THERMAL TRANSFORMING AND
 SEMI-SOLID FORMING ALUMINUM ALLOYS**

- In re U.S. Patent Number Patent No. 5,571,347
 Inventors: **Bergsma, Craig S.**
 Issued: November 5, 1996
 For: **HIGH STRENGTH MG-SI TYPE ALUMINUM ALLOY**

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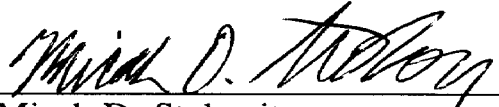
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5. Please direct all correspondence concerning this document to Micah D. Stolowitz at the following address.

Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, Oregon 97204-1268

6. Total number patents or applications involved: 3.
7. Total fee: \$120.00. (\$40.00 x 3).
 A check for \$120.00 in payment of the assignment recording fee is enclosed.
8. Please charge our Deposit Account No. 19-4455 in the amount of \$_. A duplicate copy of this sheet is enclosed.
 The Commissioner is hereby authorized to charge any additional fees which may be required in connection with filing of these papers, or credit overpayment, to Account No. 19-4455.
9. The information contained on this transmittal letter is true and correct to the best of the knowledge and belief of the person signing below and the attached copy is a true copy of an original document.

Respectfully submitted,

By 
Micah D. Stolowitz
Registration No. 32,758

Number of pages in this conveyance including the assignment cover letter: 21

Date: May 11, 1999
STOEL RIVES LLP
900 SW Fifth Avenue, Suite 2600
Portland, Oregon 97204-1268
Telephone: (503) 224-3380
Attorney Docket No. 31028/1

PATENT AND TRADEMARK SECURITY AGREEMENT

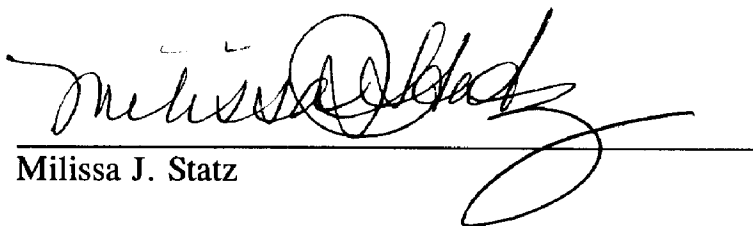
FROM

NORTHWEST ALUMINUM COMPANY

TO

U.S. TRUST COMPANY, NATIONAL ASSOCIATION

I hereby certify that the attached copy is a true and exact copy of the Patent and Trademark Security Agreement and that it is my knowledge and belief that the information contained in the Patent and Trademark Security Agreement is true and correct.



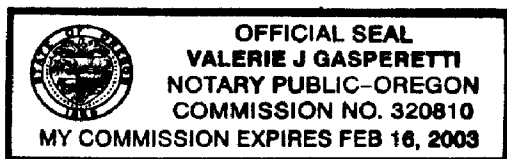
Milissa J. Statz

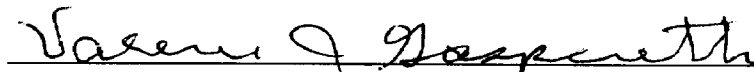
STATE OF OREGON

ss.

County of Multnomah

On this 11th day of May, 1999, personally appeared Milissa J. Statz, one of the legal assistants for Northwest Aluminum Company, and stated the above to be her voluntary act and deed.





Notary Public for Oregon
My Commission Expires: 2/16/03

PATENT AND TRADEMARK SECURITY AGREEMENT

This PATENT AND TRADEMARK SECURITY AGREEMENT (hereinafter referred to as the "I.P. Security Agreement") made this 21st day of December, 1998, by and among GOLDENDALE ALUMINUM COMPANY, GOLDENDALE HOLDING COMPANY, NORTHWEST ALUMINUM COMPANY, NORTHWEST ALUMINUM SPECIALTIES, INC., and NORTHWEST ALUMINUM TECHNOLOGIES, LLC (hereinafter referred to as the "Grantors"), and U.S. TRUST COMPANY, NATIONAL ASSOCIATION, as collateral agent (in such capacity, the "Collateral Agent") for the holders of the Notes under (and as defined in) that certain Indenture of even date herewith (as the same may be amended, amended and restated, modified, or supplemented from time to time, the "Indenture").

WHEREAS, the Grantors have entered into the Indenture, pursuant to which Golden Northwest Aluminum, Inc. ("GNA") has issued the Notes in an aggregate amount of \$150,000,000;

WHEREAS, pursuant to the Indenture and that certain general security agreement of even date herewith by and among Grantors and Collateral Agent ("General Security Agreement"), the Grantors have granted to the Collateral Agent, for its benefit and the ratable benefit of the holders of the Notes, a continuing security interest in substantially all of the personal and real property of the Grantors; and

WHEREAS, the Grantors have also agreed to execute and deliver this I.P. Security Agreement and to grant a security interest in the I.P. Collateral (as hereafter defined) to secure GNA's obligations under the Indenture and the Notes and the Grantors' obligations under their Guarantees (the "Secured Obligations"), and to place in the public record of the Patent and Trademark Office, the Secretaries of State of Oregon and Washington, and the applicable offices of foreign governments, the security interest granted hereunder;

NOW, THEREFORE, for good and valuable consideration, and to secure the payment and performance of all the Secured Obligations, the parties hereto agree as follows:

Section 1. Definitions. All capitalized terms used herein and not otherwise defined shall have the meanings prescribed therefor in the Indenture. The following terms, as used herein, shall have the following respective meanings:

"Patent and Trademark Office" means the United States Patent and Trademark Office.

"Patent License" means all agreements, whether written or oral, providing for the grant by the Grantors of any right to manufacture, use, or sell any invention covered by a Patent, including, without limitation, the agreements

described in Schedule I hereto.

“Patents” means all patents and patent applications now existing or hereafter acquired (including each patent and patent application described on Schedule I hereto), including without limitation, the inventions and improvements described therein, together with the reissues, divisions, continuations, renewals, extensions, and continuations in part thereof.

“Trademark License” means any agreement, whether written or oral, providing for the grant by the Grantors of any right to use any Trademark, including, without limitation, the agreements described in Schedule I hereto.

“Trademarks” means all of the following to the extent owned by the Grantors: all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, now existing or hereafter acquired or adopted, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings, and applications in the Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, including, without limitation, those described in Schedule I hereto, and all reissues, extensions, or renewals thereof.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect in the States of Oregon and Washington.

Section 2. Grant of Security Interest. In order to secure the prompt and complete payment and performance of all of the Secured Obligations, together with any and all expenses that may be incurred by the Collateral Agent or any holder of any Note in collecting any or all of such Secured Obligations or enforcing any rights, obligations, or liabilities under this I.P. Security Agreement, and in furtherance and as confirmation of the security interests granted by the Grantors under the General Security Agreement, the Grantors do hereby assign, grant and pledge to the Collateral Agent, for the benefit of the holders of the Notes, a security interest in all of the Grantors' right, title, and interest in, to, and under the following, whether presently existing or hereafter arising or acquired (collectively, the **“I.P. Collateral”**):

(a) all Patents;

(b) all Patent Licenses;

(c) all proceeds and products of each Patent and Patent License, including without limitation, all income, royalties, damages, and payments now or hereafter due and/or payable with respect to any Patent or Patent License, including damages and payments for past or future infringements thereof, the right to sue for past, present, and future infringements thereof, and all rights corresponding thereto

throughout the world (the property and rights described in clauses (a) through (c), being collectively referred to as, the "Patent Collateral");

(d) all Trademarks;

(e) all Trademark Licenses;

(f) all of the goodwill of the business connected with the use of, and symbolized by, each Trademark and Trademark License;

(g) any tangible assets necessary to enable the Collateral Agent to use the Trademarks and Trademark Licenses;

(h) all products and proceeds of each Trademark and Trademark License, including, without limitation, any claim by the Grantors against third parties for past, present, or future infringement or dilution of any Trademark, including without limitation, the Trademarks referred to in Schedule I hereto, and any Trademark licensed under any Trademark License, or for injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License (the property and rights described in clauses (d) through (h) being collectively referred to as the "Trademark Collateral");

(i) inventions, processes, production methods, proprietary information, know-how, and trade secrets used or useful in the business of the Grantors ("Trade Secrets");

(j) to the extent assignable pursuant to their terms (with any required consent), licenses or user or other agreements granted to the Grantors with respect to any of the Patent Collateral, the Trademark Collateral, and the Trade Secrets (collectively, the "Licensed Rights");

(k) information, customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, catalogs, computer and automatic machinery software and programs and the like pertaining to the business of the Grantors;

– (l) field repair data, sales data, and other information relating to sales or service of products now or hereafter manufactured;

(m) accounting information and all media in which or on which any of the information, knowledge, data, or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records, or data;

(n) causes of action, claims, and warranties now or hereafter owned or acquired by the Grantors in respect of any of the items listed above; and

(o) all proceeds of any of the items described in clauses (a) through (o) of this Section 2.

Each holder of a Note shall be deemed to hold an equitable interest, proportionate to the aggregate principal amount of the Notes, in the I.P. Collateral.

Section 3. Representations and Warranties. As an inducement to the Collateral Agent to enter into this I.P. Security Agreement, the Grantors make the following representations and warranties:

(a) Schedule I sets forth a complete and correct list of all Patents, Trademarks, material Patent Licenses, material Trademark Licenses, and material Licensed Rights in which the Grantors have any right, title, or interest. All issued Patents and Trademarks are, to the best of the Grantors' knowledge, valid, unexpired, and in full force and effect, have not been adjudged invalid or unenforceable, in whole or in part, and have not been abandoned and, to the best of the Grantors' knowledge, no holding, decision, or judgment has been rendered by any governmental authority that would be reasonably likely to limit, cancel, or question the validity of any Patent or Trademark. None of the material pending patent applications has been abandoned and each material patent application is being diligently prosecuted, and Grantors know of no facts that would invalidate or make unenforceable any patent issued on any of the applications.

(b) The Grantors are the sole beneficial owners of the I.P. Collateral and are duly licensed to use all material Licensed Rights and, except for Permitted Liens, no Liens exist or will exist upon any I.P. Collateral at any time except for the security interest thereof in favor of the Collateral Agent provided for herein, which security interest constitutes a first priority perfected security interest in all of the I.P. Collateral.

(c) Except pursuant to Patent Licenses and Trademark Licenses entered into by the Grantors in the ordinary course of business that are listed in Schedule I, the Grantors own and possess the exclusive right to use, and have done nothing to authorize or enable any other Person to use, the Patents and Trademarks listed on Schedule I.

(d) Except as otherwise disclosed in Schedule I hereto, to the best knowledge of the Grantors, there is no infringement by others of any right of the Grantors with respect to any Patent or Trademark listed on Schedule I, to the best knowledge of the Grantors, the Grantors are not infringing in any respect upon any patent or trademark of any other Person, and no proceedings have been instituted or are pending against the Grantors, or to the Grantors' knowledge, threatened, alleging any

such violation or seeking to limit, cancel, or question the validity of any such Patent or Trademark.

(e) All applications pertaining to the U.S. Patents and U.S. Trademarks have been duly and properly filed, and to the best knowledge of the Grantors, all applications pertaining to the foreign Patents and Trademarks and all registrations or letters pertaining to such Patents and Trademarks have been properly filed and issued; provided however, that the executed assignment documents for the patent portfolio recently acquired by Northwest Aluminum Technologies, LLC, consisting of the properties indicated on Schedule I hereto as the "NAT Patent Portfolio," have not yet been recorded in the Patent and Trademark Office or any foreign jurisdictions. Grantors will record such documents as soon as reasonably possible, but as to the U.S. Patents and U.S. Trademarks in no event later than 30 days after the date hereof. Grantors shall investigate and remedy all defects in any application or registration pertaining to any foreign Patent or Trademark promptly following the date hereof and shall provide reasonable evidence of any remedial action to the Collateral Agent. All warranties in this Section 3(e) relating to foreign Patents and Trademarks are subject to the Business Judgment Exception (defined below).

Section 4. Defense of Collateral. The Grantors agree that they will at their expense forever warrant and, at the Collateral Agent's request, defend the I.P. Collateral from any and all claims and demands of any other Person; provided, however, nothing herein shall prevent the Grantors in the exercise of their reasonable business judgment from determining that it is in the best interest of the Grantors to abandon any item of I.P. Collateral or to refrain from defending any item of I.P. Collateral against such claims or demands (the foregoing prerogative of the Boards of Directors of the Grantors is sometimes referred to herein as the "Business Judgment Exception"). The Grantors hereby agree to pay, indemnify, and hold the Collateral Agent and the holders of the Notes harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever with respect to the I.P. Collateral, including, without limitation, claims of patent or trademark infringement, provided that the Grantors shall have no obligation hereunder to indemnify the Collateral Agent or any holder of any Note to the extent the matter to be indemnified against was caused by the indemnified party's gross negligence or willful misconduct.

Section 5. Continued Use of Patents and Trademarks.

(a) During the term of this I.P. Security Agreement the Grantors shall (i) employ consistent standards of quality in their manufacture of products and delivery of services sold or provided under the Trademarks (and shall do any and all acts reasonably required by the Collateral Agent to ensure the Grantors' compliance with such standards), (ii) employ the appropriate notice of such Trademarks in connection with their use of such Trademarks, (iii) subject to the Business Judgment Exception, use each Trademark in such a manner as to maintain such Trademark in full

force free from any claim or abandonment for non-use and (iv) not adopt or use any mark that is confusingly similar or a colorable imitation of such Trademark unless the Collateral Agent shall obtain a perfected security interest in such mark pursuant to this I.P. Security Agreement. The Grantors hereby grant to the Collateral Agent and its employees and agents the right to visit the Grantors' plants and facilities that manufacture, inspect, or store products or that provide services sold under any of the Trademarks, and to inspect the products or monitor the services and quality control records relating thereto at reasonable times during regular business hours. The Grantors confirm their commitment to take any and all actions reasonably required by the Collateral Agent to ensure the maintenance of quality standards for such products and services.

(b) Subject to the Business Judgment Exception, the Grantors agree to maintain the registration of the Patents and Trademarks listed on Schedule I hereto in full force and effect by taking any action that they believe necessary, through attorneys of their choice, all at their expense. In the event that any Patent or Trademark is infringed by a third Person so as to have a material adverse effect on the Grantors, or if such infringement gives rise to litigation or any proceeding in the Patent and Trademark Office, the Grantors shall promptly notify the Collateral Agent and shall take such actions as may be reasonably required to terminate such infringement or preserve the validity of the Patents and Trademarks. Any damages recovered from the infringing party shall be deemed to be part of the I.P. Collateral.

(c) The Grantors shall promptly notify the Collateral Agent of the institution of, and any adverse determination in, any proceeding in the Patent and Trademark Office or any other foreign or domestic governmental agency, court or body, regarding the Grantors' claim of ownership in any of the Patents or Trademarks, where the adverse determination of such proceeding could reasonably be expected to have a material adverse effect on the Grantors, taken as a whole.

Section 6. No Assignments. The Grantors shall not, except as otherwise permitted by the Indenture, grant, create, or permit to exist any Lien upon the I.P. Collateral in favor of any other Person or assign this I.P. Security Agreement, any rights in the I.P. Collateral, or the material protected thereby without, in each case, the prior written approval of the Collateral Agent (which shall not be unreasonably withheld or delayed) and such attempted Lien or assignment shall be void ab initio.

— Section 7. Continuing Liability. The Grantors hereby expressly agree that, anything herein to the contrary notwithstanding, they shall remain liable under each license, interest, and obligation in which a security interest has been granted to the Collateral Agent hereunder to observe and perform all the conditions and obligations to be observed and performed by the Grantors thereunder, all in accordance with and pursuant to the terms and provisions thereof. Neither the Collateral Agent nor any holder of the Notes shall have any obligation or liability under any such license, interest, or obligation by reason of or arising out of this I.P. Security Agreement or the

security interest thereof to the Collateral Agent or the receipt by the Collateral Agent of any payment relating to any such license, interest, or obligation pursuant hereto. Furthermore, neither the Collateral Agent nor any holder of the Notes shall be required or obligated in any manner to perform or fulfill any of the obligations of the Grantors thereunder or pursuant thereto, to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such license, interest, or obligation, to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts by reason of the security interest granted to it or to which it may be entitled at any time or times.

Section 8. New Patents and Trademarks. If, before the Secured Obligations shall have been satisfied in full, the Grantors, either by themselves or through an agent, employee, licensee, or designee, shall develop or obtain rights to (i) any new patentable inventions, or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent listed on Schedule I or any improvement on any such Patent, or (ii) any new Trademarks, the Grantors shall give to the Collateral Agent prompt notice thereof in writing hereof, and shall execute and deliver a modification of this I.P. Security Agreement amending Schedule I hereto to include such new Patent or Trademark thereon, and place in the public record of the Patent and Trademark Office, the Secretaries of State of Oregon and Washington, and the applicable offices of foreign governments, the new security interest granted thereunder. Notwithstanding the foregoing, the Grantors hereby irrevocably appoint the Collateral Agent their true and lawful attorney (such appointment coupled with an interest), with full power of substitution, to execute an amendment of this I.P. Security Agreement on behalf of the Grantors amending Schedule I hereto to include such new Patent or Trademark, and place in the public record of the Patent and Trademark Office, the Secretaries of State of Oregon and Washington, and the applicable offices of foreign governments, the new security interest granted thereunder.

Section 9. Retention of Rights. Unless and until an Event of Default shall have occurred and be continuing, but subject to the terms and conditions of this I.P. Security Agreement, the Grantors shall retain the legal and equitable title to the I.P. Collateral and shall have the right to use the I.P. Collateral in the ordinary course of their businesses and all goodwill associated with the Trademarks shall accrue to the Grantors.

Section 10. Remedies.

(a) Upon notice from Collateral Agent of the occurrence of an Event of Default under the Indenture, Grantors shall execute any written assignment of the I.P. Collateral to Collateral Agent, the holders of the Notes or their designees as may be deemed appropriate in the sole discretion of Collateral Agent. In addition, if an Event of Default under the Indenture has occurred and is continuing, the Collateral

Agent may exercise, in addition to all rights and remedies granted to it in this I.P. Security Agreement and the General Security Agreement, all rights and remedies of a secured party under the Uniform Commercial Code and other applicable law, provided that the Collateral Agent shall give the Grantors not less than ten days' prior written notice of the time and place of any public sale or of the time after which any private sale or other intended disposition is to be made of any of the I.P. Collateral. The Grantors agree that such notice constitutes "reasonable notification" within the meaning of Section 9-504(3) of the Uniform Commercial Code.

(b) Without limiting the generality of the foregoing, if any Event of Default has occurred and is continuing,

(i) the Collateral Agent, acting in a commercially reasonable manner, may license, or sublicense, whether general, special, or otherwise, and whether on an exclusive or non-exclusive basis, any Patents or Trademarks included in the I.P. Collateral throughout the world, the proceeds of such license or sublicense to be applied to the payment of the Secured Obligations;

(ii) the Collateral Agent may (without assuming any obligations or liability thereunder), at any time and from time to time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Grantors in, to, and under any Patent Licenses or Trademark Licenses and take or refrain from taking any action under any thereof, and the Grantors hereby release the Collateral Agent from, and agree to hold the Collateral Agent free and harmless from and against, any claims arising out of any lawful action so taken or omitted to be taken with respect thereto other than any claims arising by reason of the Collateral Agent's own gross negligence or willful misconduct; and

(iii) upon request by the Collateral Agent, the Grantors will execute and deliver to the Collateral Agent a power of attorney, in addition to and supplemental to that set forth in Sections 8 and 12 hereof, in form and substance reasonably satisfactory to the Collateral Agent, for the implementation of any lease, assignment, license, sublicense, a grant of option, sale, or other disposition of a Patent or a Trademark, provided, however, that in the event of any disposition pursuant to this Section 10, the Grantors shall supply their know how and expertise relating to the manufacture and sale of the products bearing, or services sold utilizing, Trademarks, and their customer lists, and other records relating to such Trademarks and to the distribution of such products and sale of such services, to the Collateral Agent.

Section 11. Grant of License to Use Intangibles. For the purpose of enabling the Collateral Agent to exercise rights and remedies under Section 10 hereof at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies and for no other purpose, the Grantors hereby grant to the Collateral Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantors) to use, assign, license, or sublicense any of the I.P.

Collateral, whether now owned or hereafter acquired by the Grantors and wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof. Except as otherwise provided herein, the Collateral Agent shall have no duty as to the collection or protection of any I.P. Collateral nor as to the preservation of any rights pertaining thereto, beyond the safe custody of any I.P. Collateral in its possession. The Collateral Agent may exercise its rights with respect to any portion of the I.P. Collateral without resorting or regard to other I.P. Collateral or sources of reimbursement for liability.

Section 12. Power of Attorney. The Grantors hereby irrevocably appoint the Collateral Agent their true and lawful attorney (such appointment coupled with an interest), with full power of substitution, in the name of the Grantors, the Collateral Agent, or otherwise, for the sole use and benefit of the Collateral Agent, but at the Grantors' expense, to exercise (to the extent permitted by law), 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 I.P. Collateral:

(a) to demand, sue for, collect, receive, and give acquittance for any and all moneys 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 same or the proceeds or avails thereof, as fully and effectually as if the Collateral Agent were the absolute owner thereof, and

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

provided, however, that except as otherwise provided herein, the Collateral Agent shall have no duty as to the collection or protection of any I.P. Collateral, nor as to the preservation of any rights pertaining thereto, beyond the safe custody of any I.P. Collateral in its possession.

Section 13. Further Assurances. The Grantors will, from time to time, at their expense, execute, deliver, file, and record any statement, assignment, instrument, document, agreement, notice, or other paper and take any other action that the Collateral Agent may from time to time reasonably determine to be necessary or desirable in order to create, preserve, upgrade in rank (to the extent required hereby), perfect, confirm, or validate the I.P. Collateral or to enable the Collateral Agent to obtain the full benefits of this I.P. Security Agreement, or to enable the Collateral Agent to exercise and enforce any of its rights, powers, and remedies hereunder with respect to any of the I.P. Collateral. At the request of the Collateral Agent, the

Grantors will use reasonable efforts to obtain the consent of any Person that is necessary or desirable to effect the pledge hereunder of any right, title, claims, and benefits now owned or hereafter acquired by any Grantors in and to any I.P. Collateral. To the extent permitted by law, the Grantors hereby authorize the Collateral Agent to execute, file, and record notices, financing statements, or continuation statements without the Grantors' signature appearing thereon. The Grantors agree that a carbon, photographic, or other reproduction of this I.P. Security Agreement or of a financing statement is sufficient as a notice or financing statement. The Grantors shall pay the costs of, or incidental to, any recording or filing of any notice or financing or continuation statements, concerning the I.P. Collateral.

Section 14. Notices. All notices under this I.P. Security Agreement shall be in writing, and shall be given and shall be effective in accordance with the Indenture. Notices to the Collateral Agent shall be given as indicated for the "Trustee" thereunder.

Section 15. Severability. Any provision of this I.P. Security Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 16. No Waiver; Cumulative Remedies. The Collateral Agent shall not, by any act, delay, omission, or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by the Collateral Agent, and then only to the extent therein set forth. A waiver by the Collateral Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy that the Collateral Agent otherwise would have had on any other occasion. No failure to exercise nor any delay in exercising on the part of the Collateral Agent any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

Section 17. Waivers, Amendments. None of the terms and provisions of this I.P. Security Agreement may be waived, altered, modified, or amended except by an instrument in writing executed by the parties hereto.

Section 18. Limitation by Law. All rights, remedies, and powers provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions hereof are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this I.P. Security Agreement invalid, unenforceable in whole or in part, or not entitled to be recorded, registered, or

filed under the provisions of any applicable law.

Section 19. Successors and Assigns. This I.P. Security Agreement shall be binding upon and inure to the benefit of the Grantors, their respective successors and assigns, and shall be binding upon and inure to the benefit of and be enforceable by the Collateral Agent, the holders of the Notes, and their respective successors and assigns; provided that the Grantors may not assign or transfer their rights or obligations hereunder.

Section 20. Release; Termination.

(a) If any Grantor is designated an Unrestricted Subsidiary under the Indenture or if any of the I.P. Collateral ("Sale Collateral") is sold or disposed of (by merger or otherwise) in accordance with the Indenture (or such sale or disposition has been approved in writing by the Collateral Agent) and the proceeds (if any) of such sale or disposition are applied in accordance with the provisions of the Indenture (to the extent, if any, applicable), the security interests in the I.P. Collateral of such Grantor or the Sale Collateral, as applicable, shall be automatically released and the Collateral Agent shall execute and deliver to such Grantor such release documentation as the Grantor shall reasonably require to effect such release and return to such Grantor any such I.P. Collateral of such Grantor or any Sale Collateral, as applicable, in the possession of the Collateral Agent.

(b) Upon the payment in full of all Secured Obligations, the security interest granted hereunder shall terminate and all rights and interests to the I.P. Collateral conveyed under this I.P. Security Agreement, the General Security Agreement or any other security agreement affecting the I.P. Collateral shall revert to the Grantors and the Collateral Agent will execute all such documents as reasonably may be requested by the Grantors to release such security interests and to terminate such security interest and to reassign the Patents and Trademarks to the Grantors (without representation or warranty). If, after the security interest made hereunder is terminated, payment, or any part thereof, of any of the Secured Obligations is rescinded or must otherwise be restored or returned by the Collateral Agent upon the insolvency, bankruptcy, dissolution, liquidation, or reorganization of the Grantors or upon or as a result of the appointment of a receiver, intervenor, or conservator of, or trustee or similar officer for, the Grantors or any substantial part of their property, or otherwise, the security interest granted hereunder and all rights of the Collateral Agent to the I.P. Collateral shall be reinstated, all as though such payments had not been made.

Section 21. Governing Law. THIS I.P. SECURITY AGREEMENT IS A CONTRACT UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID STATE (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW) AND THE UNITED


STATES OF AMERICA. THE GRANTORS CONSENT TO THE JURISDICTION OF ANY OF THE FEDERAL OR STATE COURTS LOCATED IN THE STATE OF NEW YORK IN CONNECTION WITH ANY ACTION TO ENFORCE THE RIGHTS OF THE COLLATERAL AGENT UNDER THIS I.P. SECURITY AGREEMENT. THE GRANTORS IRREVOCABLY WAIVE ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH ACTION BROUGHT IN THE COURTS REFERRED TO IN THE PRECEDING SENTENCE AND HEREBY IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH ACTION THAT SUCH ACTION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 22. Waiver of Jury Trial. THE GRANTORS AND THE COLLATERAL AGENT HEREBY WAIVE THEIR RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS I.P. SECURITY AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW, THE GRANTORS AND THE COLLATERAL AGENT HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE GRANTORS (a) CERTIFY THAT NO REPRESENTATIVE, AGENT, OR ATTORNEY OF THE COLLATERAL AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE COLLATERAL AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (b) ACKNOWLEDGES THAT THE COLLATERAL AGENT HAS BEEN INDUCED TO ENTER INTO THIS I.P. SECURITY AGREEMENT BECAUSE OF, AMONG OTHER THINGS, THE GRANTOR' WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.


Section 23. Counterparts. This I.P. Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this I.P. Security Agreement by signing any such counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this I.P.
Security Agreement to be executed as of the date first written above.


NORTHWEST ALUMINUM COMPANY

By 
Brett E. Wilcox
President


GOLDENDALE ALUMINUM COMPANY

By 
Brett E. Wilcox
President

NORTHWEST ALUMINUM
SPECIALTIES, INC.

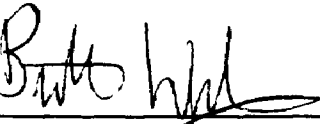
By 
Brett E. Wilcox
President

GOLDENDALE HOLDING COMPANY


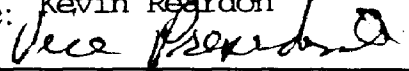
By 
Brett E. Wilcox
President

NORTHWEST ALUMINUM
TECHNOLOGIES, LLC.

By: Golden Northwest Aluminum, Inc., its
managing member

By 
Brett E. Wilcox
President

U.S. TRUST COMPANY NATIONAL
ASSOCIATION, as Collateral Agent

By 
Name: Kevin Reardon
Its 

Schedule 1

PATENTS

<u>U.S. Patent No.</u>	<u>Date</u>	<u>Name of Inventor/ Title of Invention</u>
4,592,812 *	June 3, 1986	Theodore R. Beck and Richard J. Brooks/Method and Apparatus for Electrolytic Reduction of Alumina
4,865,701 *	September 12, 1989	Theodore R. Beck and Richard J. Brooks/Electrolytic Reduction of Alumina
5,006,209 *	April 9, 1991	Theodore R. Beck and Richard J. Brooks/Electrolytic Reduction of Alumina
5,108,557	April 28, 1992	James H. Nordquist/Ore Point Feeder and Method for Soderberg Aluminum Reduction Cells
5,222,448	June 29, 1993	George W. Morgenthaler/ Plasma Torch Furnace Processing of Spent Potliner from Aluminum Smelters
5,284,562 *	February 8, 1994	Theodore R. Beck and Richard J. Brooks/Non- consumable Anode and Lining for Aluminum Electrolytic Reduction Cell

* NAT Patent Portfolio

5,571,346	November 5, 1996	Crag S. Bergsma/Casting, Thermal Transforming and Semi-Solid Forming Aluminum Alloys
5,571,347	November 5, 1996	Craig S. Bergsma/High Strength MG-SI Type Aluminum Alloy
5,723,097	March 3, 1998	Robert J. Barnett/Method of Treating Spent Potliner Material from Aluminum Reduction Cells

PATENT APPLICATIONS

U.S. Application No.

Filing Date

**Name of Inventor/
Title of Invention**

60/074,373

February 11, 1998

U.S. provisional patent
application - Catalytic
Dissolution of Aluminum
Oxide During electrolytic
Reduction of Alumina

PATENT LICENCES

U.S. Patent No.

Date

FOREIGN APPLICATIONS

Country

Application No.

Date

**Name of Inventor/
Title of Invention**

Australia

9516329

April 7, 1995

Craig S. Bergsma/High
Strength MG-SI Type
Aluminum Alloy

* NAT Patent Portfolio

Brazil *	PI9106039	January 28, 1991	Theodore R. Beck and Richard J. Brooks/Electrolytic Reduction of Alumina
Brazil *	PI9400328-9	January 25, 1994	Theodore R. Beck and Richard J. Brooks/Non- consumable Anode and Lining for Aluminum Electrolytic Reduction Cell
Brazil	PI9501502	April 7, 1995	Craig S. Bergsma/High Strength MG-SI Type Aluminum Alloy
Canada *	2075892	January 28, 1991	Theodore R. Beck and Richard J. Brooks/Electrolytic Reduction of Alumina
Canada	2076199	August 14, 1992	George W. Carter; Andreas Tsangaris/Municipal Solid Waste Disposal Process
Canada *	2113696	January 18, 1994	Theodore R. Beck and Richard J. Brooks/Non- consumable Anode and Lining for Aluminum Electrolytic Reduction Cell
Canada	2146466	April 6, 1995	Craig S. Bergsma/High Strength MG-SI Type Aluminum Alloy
Canada	2217752	April 8, 1996	Craig S. Bergsma/Thermal Transforming and Semi- Solid Forming Aluminum Alloys
E.P.O.	95105316	April 7, 1995	Craig S. Bergsma/High Strength MG-SI Type Aluminum Alloy

* NAT Patent Portfolio

E.P.O.	96912601	April 8, 1996	Craig S. Bergsma/Thermal Transforming and Semi-Solid Forming Aluminum Alloys
Iceland *	4124	January 20, 1994	Theodore R. Beck and Richard J. Brooks/Non-consumable Anode and Lining for Aluminum Electrolytic Reduction Cell
Norway *	9203150	January 28, 1991	Theodore R. Beck and Richard J. Brooks/Electrolytic Reduction of Alumina
Norway *	940181	January 18, 1994	Theodore R. Beck and Richard J. Brooks/Non-consumable Anode and Lining for Aluminum Electrolytic Reduction Cell
Venezuela*	116-91	February 14, 1991	Theodore R. Beck and Richard J. Brooks/Electrolytic Reduction of Alumina
Venezuela*	185-94	February 4, 1994	Theodore R. Beck and Richard J. Brooks/Non-consumable Anode and Lining for Aluminum Electrolytic Reduction Cell

FOREIGN PATENTS

<u>Country</u>	<u>Patent No.</u>	<u>Date</u>	<u>Name of Inventor/ Title of Invention</u>
Australia *	646434	July 12, 1994	Theodore R. Beck and Richard J./Electrolytic Reduction of Alumina

* NAT Patent Portfolio

Australia *	669407	November 12, 1996	Theodore R. Beck and Richard J. Brooks/Non- consumable Anode and Lining for Aluminum Electrolytic Reduction Cell
Australia	686102	February 5, 1998	George W. Morgenthaler; Jeffery L. Struthers; George W. Carter/Plasma Torch Processing of Spent Aluminum Smelter Potliner
Canada *	1281304	March 12, 1991	Theodore R. Beck and Richard J. Brooks/Method and Apparatus for Electrolytic Reduction of Alumina
Canada *	1338052	February 13, 1996	Theodore R. Beck and Richard J. Brooks/ Electrolytic Reduction of Alumina
Iceland *	1569	February 28, 1995	Theodore R. Beck and Richard J./Electrolytic Reduction of Alumina

TRADEMARKS

U.S. Registration No.

1739418

Date

December 15, 1992

Mark or Name

DIRECT FORGE

U.S. Application No.

75/286,759

Filing Date

April 18, 1997

Mark or Name

DIRECT FORM

TRADEMARK LICENSES

U.S. Registration No.

Date

Mark or Name

PENDING LITIGATION

Date Commenced

Case

* NAT Patent Portfolio