

Form PTO-1595 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office Docket No.: 395293/011

**RECORDATION FORM COVER SHEET PATENTS ONLY**

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

1. Name of conveying party(ies): **Ormet Corporation**

2. Name and address of receiving party(ies)  
 Name: U.S. Bank National Association  
 Internal Address: 60 Livingston Avenue  
 Street Address: \_\_\_\_\_  
 City: St. Paul State: MN Zip: 55107

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

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) See schedule attached  
 B. Patent No.(s) See schedule attached  
 Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
 Name: Laura E. Goldbard  
 Internal Address: Stroock & Stroock & Lavan LLP  
 Street Address: 180 Maiden Lane  
 City: New York State: NY Zip: 10038

6. Total number of applications and patents involved: 6

7. Total fee (37 CFR 3.41).....\$ 240.00  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
19-4709  
 (Attach duplicate copy of this page if paying by deposit account)

**DO NOT USE THIS SPACE**

9. Statement and signature.  
*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*  
Laura E. Goldbard Laura E. Goldbard April 8, 2004  
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and documents: 11

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

CH \$240.00 194709 10267908

**SCHEDULE 1**

## Patents

<u>Title</u>	<u>Patent No.</u>	<u>Application No.</u>	<u>Issue Date</u>	<u>Filing Date</u>
Treatment and Disposal of Red Mud Generated in the Bayer Process	5,607,598	08/502,683	03/04/97	07/14/95
Groundwater Total Cyanide Treatment Method	5,647,996	08/491,495	07/15/97	06/16/95
Method and Apparatus for Controlling the Cleaning Cycle of Air Filter Elements	5,711,785	08/548,443	01/27/98	10/26/95
Groundwater Total Cyanide Treatment Apparatus	5,853,573	08/890,808	12/29/98	07/11/97
Method and Apparatus for Ultrasonic Testing of Aluminum	5,948,985	08/866,817	09/07/99	05/30/97
Method of Applying a Surface Finish on a Metal Substrate and Method of Preparing Work Rolls for Applying the Surface Finish	N/A	10,267,908	N/A	10/9/02

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of February 5, 2004 (this "Agreement"), is between U.S. Bank National Association, a national banking association organized under the laws of the United States, located at 60 Livingston Avenue, St. Paul, MN 55107 (the "Collateral Agent"), and Ormet Corporation, a Delaware corporation, located at 1233 Main Street Suite 4000, Wheeling, WV 26003 (the "Debtor")

### W I T N E S S E T H:

WHEREAS, the Collateral Agent and the Debtor have entered into a Security Agreement, dated February 5, 2004 (as amended, supplemented or modified from time to time) (the "Security Agreement") in connection with that certain Senior Secured, Super-Priority Debtor-In-Possession Term Loan Agreement, dated as of the date hereof, by and among the grantors signatory thereto, Collateral Agent, the lenders signatory thereto and MatlinPatterson Global Advisers LLC, as Loan Agent (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Loan Agreement");

WHEREAS, pursuant to the Security Agreement, the Debtor has conveyed a security interest in, among other things, all right, title and interest of the Debtor in, to and under all of the Debtor's Intellectual Property, whether presently existing or hereafter arising or acquired;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent to enter into, inter alia, the Security Agreement, the Debtor hereby agrees with the Collateral Agent as follows:

1. Defined Terms.

(a) Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement.

(b) Other Definitional Provisions. (i) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and paragraph references are to this Agreement unless otherwise specified.

(ii) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Grant of Security Interest (Patents). To secure the prompt and complete payment when due and satisfaction of the Obligations under the Security Agreement, the Debtor hereby grants, assigns and conveys to the Collateral Agent, as collateral security, a Lien upon all of its entire right, title and interest in and to the Patents, and all proprietary rights in and to all

products and all proceeds related thereto, and all licenses and agreements relating thereto; now owned or existing or at any time hereafter acquired by the Debtor or in which the Debtor now has or any time in the future may acquire any right, title or interest, including, without limitation, each registration, application, and proprietary right identified on Schedule 1 attached hereto and made a part hereof, the right to sue for past, present and future infringements and all issued patents, reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof; and all rights corresponding thereto (referred to collectively as the "Patent Collateral"); provided however, that notwithstanding anything to the contrary contained herein, none of the foregoing shall constitute Patent Collateral to the extent it does not constitute Collateral under the Security Agreement.

3. Grant of Security Interest (Trademarks). To secure the prompt and complete payment when due and satisfaction of the Obligations under the Security Agreement, the Debtor hereby grants, assigns and conveys to the Collateral Agent, as collateral security, a Lien upon all of its entire right, title and interest in and to the Trademarks, and all proprietary rights in and to all products and all proceeds related thereto, and all licenses and agreements relating thereto; now owned or existing or at any time hereafter acquired by the Debtor or in which the Debtor now has or any time in the future may acquire any right, title or interest, including, without limitation, each registration, application, and proprietary right identified on Schedule 2 attached hereto and made a part hereof, the right to sue for past, present and future infringements and all rights corresponding thereto and the entire goodwill of the Debtor's business connected with and symbolized by the Trademarks (referred to collectively as the "Trademarks Collateral"); provided however, that notwithstanding anything to the contrary contained herein, none of the foregoing shall constitute Trademark Collateral to the extent it does not constitute Collateral under the Security Agreement. The Patent Collateral and the Trademark Collateral are collectively referred to as the "IP Collateral").

4. Security Agreement. This Agreement has been executed and delivered by the Debtor for the purpose of recording the security agreement of the Collateral Agent in the IP Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Collateral Agent under the Security Agreement. The Security Agreement (and all rights and remedies of the Collateral Agent thereunder) shall remain in full force and effect in accordance with its terms.

5. Assignment of IP Collateral. In addition to all other rights granted to the Collateral Agent under the Security Agreement, the Security Agreement and this Agreement, effective only upon an Event of Default and an acceleration of the Obligations under the Security Agreement, the Debtor hereby sells, assigns, transfers and sets over to the Collateral Agent, for collateral purposes only, the Debtor's entire right, title and interest in and to the IP Collateral.

6. Covenants.

(a) The Debtor shall take all actions necessary or requested by Collateral Agent to maintain and pursue each application, to maintain the registration of the registered IP Collateral, including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings, unless the Debtor shall determine that any such IP Collateral is not material to the conduct of its business; and

(b) The Debtor agrees, promptly upon learning thereof, to notify the Collateral Agent in writing of the name and address of, and to furnish such pertinent information that may be available with respect to, any party who may be infringing or otherwise violating any of the Debtor's rights in, to and under any of the IP Collateral, or with respect to any party claiming that the Debtor's use of any of the IP Collateral violate any property right of that party. The Debtor further agrees that, unless the Debtor shall reasonably determine that such IP Collateral is not material to the conduct of its business or operations, to the extent commercially reasonable, the Debtor shall promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other commercially reasonable actions as Collateral Agent shall reasonably deem appropriate under the circumstances to protect such IP Collateral.

7. Further Assurances.

(a) The Debtor shall execute and deliver to the Collateral Agent this Agreement, which shall be recorded in the appropriate government offices to perfect the security interests granted herein;

(b) The Debtor shall execute any and all additional documents reasonably required and/or requested by the Collateral Agent in connection with the IP Collateral to effectuate the security interests granted hereunder; and

(c) The Debtor hereby grants the Collateral Agent an absolute power of attorney to sign, upon the occurrence and during the continuance of an Event of Default, any document which may be required by the United States Patent and Trademark Office or secretary of state or equivalent governmental agency of any state of the United States or in any foreign jurisdiction in order to effect an absolute assignment of all right, title and interest in each of the IP Collateral, and record the same.

8. Other Intellectual Property. Within 30 days of (i) acquisition of a Patent, or registration of a trademark, or (ii) of filing of an application to register a Patent or Trademark, the Debtor shall deliver to the Collateral Agent a copy of the document of transfer or license with respect to such Patent or Trademark or a copy of the registration, application and/or of the receipt issued by the United States Patent and Trademark Office with respect thereto, with a

grant of security as to such Patent or Trademark, as the case may be, confirming the grant thereof hereunder, the form of such confirmatory grant to be substantially the same as the form hereof.

9. Release of Collateral and Termination. Subject to Section 10 of the Security Agreement, the Security Agreement dated as of the date hereof by grantors in favor of Revolving Loan Agent and the Intercreditor Agreement, this Agreement and all obligations of the Debtor and the Collateral Agent hereunder shall automatically terminate on the Termination Date. Upon termination of this Agreement, the Collateral Agent shall, at the sole expense of the Debtor, take such actions as reasonably may be necessary to release its security interest in the IP Collateral.

10. Acknowledgment: Security Agreement. The Debtor does hereby further acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the security agreement in the IP Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein. Subject to Section 11(b), in the event of any inconsistency between the terms of this Agreement and the terms of the Security Agreement, the terms of the Security Agreement shall govern.

11. Intercreditor Priorities.

(a) Notwithstanding anything to the contrary contained herein, Collateral Agent acknowledges and agrees that the Lien on that portion of the IP Collateral constituting Secondary Collateral granted or required to be granted to Revolving Loan Agent shall have priority over the Lien in the IP Collateral granted to Loan Agent. Collateral Agent further acknowledges and agrees that, any provision of this Agreement to the contrary notwithstanding, until the Termination Date (as defined in the Revolving Credit Agreement) the Debtor shall not be required to act or refrain from acting under this Agreement with respect to any IP Collateral on which Revolving Loan Agent has a Lien superior in priority to the Collateral Agent's Lien thereon in any manner that would result in a default under the terms and provisions of the Loan Documents (as defined in the Revolving Credit Agreement) or the documents governing the Revolving Loan.

(b) Notwithstanding anything herein to the contrary, the Lien and security interest granted to Collateral Agent pursuant to this Agreement and the exercise of any right or remedy by Collateral Agent hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement or the Security Agreement, the terms of the Intercreditor Agreement shall govern.

12. Binding Effect; Benefits. This Agreement shall be binding upon the Debtor and its respective successors and assigns, and shall inure to the benefit of the Collateral Agent and its successors and assigns.

13. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW.

(Next page is a signature page)

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be executed by its duly authorized representatives as of the date first above written.

**U.S. BANK NATIONAL ASSOCIATION, as Collateral Agent**

By: \_\_\_\_\_ *JW Jahn*  
Name: *Frank Jahn*  
Title: *VP*

**ORMET CORPORATION**

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



IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be executed by its duly authorized representatives as of the date first above written.

**U.S. BANK NATIONAL ASSOCIATION, as Collateral Agent**

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

**ORMET CORPORATION**

By: Richard D. Caruso  
Name: RICHARD D CARUSO  
Title: VP

**SCHEDULE 1**

## Patents

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Method of Applying a Surface Finish on a Metal Substrate and Method of Preparing Work Rolls for Applying the Surface Finish	N/A	10,267,908	N/A	10/9/02

**SCHEDULE 2**

## Trademarks

<b><u>Trademark/Trade Name</u></b>	<b><u>Application/ Registration No.</u></b>	<b><u>Filing / Registration Date</u></b>
Satin Plus	1,982,267	6/25/96
VelvetFlow	2,114,522	11/18/97
Velvet Flow and Design	2,076,238	7/1/97
Burnside	1,091,549	5/16/78
Burnside Terminal and Design	1,176,545	11/3/81