

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY AGREEMENT
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CONVEYING PARTY DATA	
Name	Execution Date
KB Alloys, Inc.	07/15/2004

RECEIVING PARTY DATA	
Name:	Heller Financial, Inc.
Street Address:	500 West Monroe Street
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60661

PROPERTY NUMBERS Total: 17

Property Type	Number
Patent Number:	5484493
Patent Number:	5415708
Patent Number:	5230754
Patent Number:	5055256
Patent Number:	5180447
Patent Number:	5676774
Patent Number:	6123899
Patent Number:	5405578
Patent Number:	5728239
Patent Number:	6042660
Patent Number:	6136108
Patent Number:	6139654
Patent Number:	4812290
Patent Number:	4873054
Patent Number:	5041263

CH \$680.00 5484493

Patent Number:	5100488
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Application Number:	60428380
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CORRESPONDENCE DATA

Fax Number: (214)981-3400

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 214-981-3319

Email: mroberts@sidley.com

Correspondent Name: Elisabeth A. Evert, Esq.

Address Line 1: 717 North Harwood

Address Line 2: Suite 3400

Address Line 4: Dallas, TEXAS 75201

NAME OF SUBMITTER:

Elisabeth A. Evert

Total Attachments: 8

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PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT, dated as of August 2, 2004, by KB ALLOYS, INC., a Delaware corporation ("KB Alloys"), KBA HOLDING, INC., a Delaware corporation ("KBA Holding"), KBA ENTERPRISES, INC., a Delaware corporation ("KBA Enterprises"), READING ALLOYS, INC., a Pennsylvania corporation ("Reading Alloys") and RAI ENTERPRISES, INC., a Delaware corporation ("RAI Enterprises") (KB Alloys, KBA Holding, KBA Enterprises, Reading Alloys and RAI Enterprises are referred to herein individually as "Grantor" and collectively as "Grantors"), in favor of HELLER FINANCIAL, INC., a Delaware corporation, in its capacity as Agent for the benefit of the Agent and the Lenders.

WITNESSETH:

WHEREAS, pursuant to that certain Third Amended and Restated Credit Agreement dated as of the date hereof by and among KB Alloys, Agent and the Persons signatory thereto from time to time as Lenders (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), Lenders have agreed to make the Loans, to issue Lender Letters of Credit and to incur Risk Participation Liabilities for the benefit of KB Alloys;

WHEREAS, KBA Holding, KBA Enterprises, Reading Alloys and RAI Enterprises have guaranteed the Obligations outstanding under and in connection with the Credit Agreement;

WHEREAS, Agent and Lenders are willing to make the Loans, to issue Lender Letters of Credit and to incur Risk Participation Liabilities as provided for in the Credit Agreement, but only upon the condition, among others, that each Grantor shall have executed and delivered to Agent, for itself and the ratable benefit of Lenders, that certain Amended, Restated and Consolidated Security Agreement dated as of the date hereof (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement");

WHEREAS, pursuant to the Loan Documents, and in order to induce the Agent and the Lenders to enter into the Credit Agreement, each Grantor is required to and shall execute and deliver to Agent, for itself and the ratable benefit of Lenders, this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1 DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement.

2 GRANT OF SECURITY INTEREST IN PATENT COLLATERAL.

Each Grantor hereby grants to Agent, on behalf of itself and Lenders, a continuing first priority security interest in all of each Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Patent Collateral"):

- (a) all of its Patents including those referred to on Schedule I hereto;
- (b) all reissues, continuations or extensions of the foregoing; and
- (c) all products and proceeds of the foregoing, including, without limitation, any claim by any Grantor against third parties for past, present or future infringement of any Patent.

3 SECURITY AGREEMENT. The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to Agent, on behalf of itself and Lenders, pursuant to the Security Agreement, the Continuing Security Interest and Conditional Assignment of Patents, Trademarks, Copyrights and Licenses dated as of May 28, 1993 between KB Alloys and the Agent (as amended or modified from time to time, the "KB Alloys Assignment"), the Patent Security Agreement dated as of September 28, 1998 between Reading Alloys and the Agent (as amended or modified from time to time, the "Reading Alloys Patent Security Agreement") and the Patent Security Agreement dated as of December 21, 1998 between RAI Enterprises and the Agent (as amended or modified from time to time, the "RAI Enterprises Patent Security Agreement"). Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the KB Alloys Assignment, the Reading Alloys Patent Security Agreement and the RAI Enterprises Patent Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

KB ALLOYS, INC.
KBA HOLDING, INC.
KBA ENTERPRISES, D C.
READING ALLOYS, D C.
RAI ENTERPRISES, IN C.

By: Richard J. Mallis
Name: Richard J. Mallis
Title: CEO

ACCEPTED AND ACKNOWLEDGED BY:
HELLER FINANCIAL, INC.,
as Agent

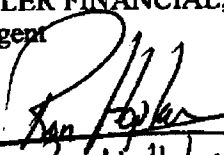
By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

KB ALLOYS, INC.
KBA HOLDING, INC.
KBA ENTERPRISES, INC.
READING ALLOYS, INC.
RAI ENTERPRISES, INC.

By: _____
Name: _____
Title: _____

ACCEPTED AND ACKNOWLEDGED BY:
HELLER FINANCIAL, INC.,
as Agent

By:  _____
Name: *Ronald Hylamarian*
Title: *VP* _____

SCHEDULE I
TO
PATENT SECURITY AGREEMENT
PATENTS AND PATENT APPLICATIONS

ISSUED PATENTS

Grantor	Country	Filing Date	Status	Patent No	Issue Date	Title
KB Alloys, Inc.	USA	Jan 27, 1995	Granted	5,484,493	Jan 16, 1996	Aluminum Base Alloy
		Jun 02, 1993	Granted	5,415,708	May 16, 1995	Aluminum Base Alloy and Method for Preparing Same
		Mar 04, 1991	Granted	5,230,754	Jul 27, 1993	Aluminum Master Alloys Containing Strontium and Boron for Grain Refining and Modifying Aluminum Alloys
		Oct 10, 1998	Granted	5,055,256	Oct 08, 1991	Grain Refiner for Aluminum Containing Silicon
		Aug 24, 1990	Granted	5,180,447	Jan 19, 1993	Grain Refiner for Aluminum Containing Silicon
		Jun 06, 1995	Granted	5,676,774	Oct 14, 1997	Magnesium Alloy as an Aluminum Hardener
		Mar 08, 1995	Granted ¹	6,123,899	Sep 26, 2000	Master Alloy Hardeners
		Mar 06, 1992	Granted	5,405,578	Apr 11, 1995	Method for Preparing Master Alloy Hardeners for use in Preparing an Aluminum Alloy
		Jun 06, 1995	Granted	5,728,239	Mar 17, 1998	Process for Hardening Aluminum using a Magnesium Alloy
		Jun 08, 1998	Granted	6,042,660	Mar 28, 2000	Strontium Master Alloy Composition
		Oct 06, 1999	Granted ¹	6,136,108	Oct 24, 2000	Strontium Master Alloy Composition Having a Reduced Solidus Temperature and Method of Manufacturing the Same
		Oct 06, 1999	Granted	6,139,654	Oct 31, 2000	Strontium Master Alloy Composition Having a Reduced Solidus Temperature and Method of Manufacturing the Same
		Sep 08, 1986	Granted	4,812,290	Mar 14, 1989	Third Element Additions to Aluminum-Titanium Master Alloys
	Mar 07, 1988	Granted	4,873,054	Oct 10, 1989	Third Element Additions to Aluminum-Titanium Master Alloys	
	Jan 24, 1989	Granted	5,041,263	Aug 20, 1991	Third Element Additions to Aluminum-Titanium Master Alloys	
	Aug 24, 1989	Granted	5,100,488	Mar 31, 1992	Third Element Additions to Aluminum-Titanium Master Alloys	
	Mar 3, 1992	Granted	3245419	Oct 26, 2001	Aluminum Master Alloys Containing Strontium, Boron, and Silicon for Grain Refining and Modifying Aluminum Alloys	
	Sep 07, 1987	Granted	1785540	Aug 31, 1993	Third Element Additions to Aluminum-Titanium Master Alloys	
	Jun 07, 1999	Granted	3112452	Sep 22, 2000	Strontium Master Alloy Composition Having a Reduced Solidus Temperature and Method of Manufacturing Same	
	Mar 03, 1992	Granted	304,384	Dec 07, 1998	Aluminum Master Alloys Containing Strontium, Boron, and Silicon for Grain Refining and Modifying Aluminum Alloys	
Mar 04, 1992	Granted	250,103	Aug 20, 1996	Aluminum Master Alloys Containing Strontium, Boron, and Silicon for Grain Refining and Modifying Aluminum Alloys		
Mar 06, 1992	Granted	251,992	May 29, 1998	Master Alloy Hardeners		

¹ Will be allowed to expire without payment of maintenance fees currently due.

² Allowed but not patented yet

³ KB did not want to pursue

Grantor	Country	Filing Date	Status	Patent No	Issue Date	Title
KB Alloys, Inc. (cont'd)	Brazil	Mar 03, 1992	Granted	PI9205720	Mar 08, 2000	Aluminum Master Alloys Containing Strontium, Boron, and Silicon for Grain Refining and Modifying Aluminum Alloys
		Aug 28, 1987	Granted	PI8704449	May 27, 1997	Third Element Additions to Aluminum-Titanium Master Alloys
	Canada	Mar 06, 1989	Granted	PI8901023	Sep 18, 2001	Third Element Additions to Aluminum-Titanium Master Alloys
		Mar 03, 1992	Granted	2,104,304	Jan 22, 2002	Aluminum Master Alloys Containing Strontium, Boron, and Silicon for Grain Refining and Modifying Aluminum Alloys
		Mar 06, 1992	Granted	2,105,860	Nov 11, 2003	Master Alloy Hardeners
		Mar 17, 1986	Granted	1,277,855	Dec 18, 1990	Master Alloy for Al & Si
	Australia	Jun 04, 1999	Allowed ³			Strontium Master Alloy Composition Having a Reduced Solidus Temperature and Method of Manufacturing Same
		Mar 03, 1992	Granted	659484	Sep 05, 1995	Aluminum Master Alloys Containing Strontium, Boron, and Silicon for Grain Refining and Modifying Aluminum Alloys
	Mexico	Jul 15, 1987	Granted ¹	586929	Nov 16, 1989	Third Element Additions to Aluminum-Titanium Master Alloys
		Jan 04, 1989	Granted	623872	May 28, 1992	Third Element Additions to Aluminum-Titanium Master Alloys
		Mar 06, 1992	Granted	664,173	Feb 27, 1996	Master Alloy Hardeners
		Sep 07, 1987	Granted	163269	Nov 04, 1992	Third Element Additions to Aluminum-Titanium Master Alloys
	Canada	Jun 07, 1999	Granted	216,107	Sept. 01, 2003	Strontium Master Alloy composition Having a Reduced Solidus Temperature and Method of Manufacturing Same
		Sep 04, 1987	Granted	1,298,993	Apr 21, 1992	Third Element Additions to Aluminum-Titanium Master Alloys
	Germany	Feb 22, 1989	Granted	1,311,145	Dec 08, 1992	Third Element Additions to Aluminum-Titanium Master Alloys
		Sep 07, 1987	Granted	P3729937	Jan 05, 1995	Third Element Additions to Aluminum-Titanium Master Alloys
	UK	Feb 15, 1989	Granted	051488	Feb 15, 1989	Third Element Additions to Aluminum-Titanium Master Alloys
		Sep 04, 1987	Granted	2194796	Jan 02, 1991	Third Element Additions to Aluminum-Titanium Master Alloys
	European	Mar 07, 1989	Granted	2216542	Dec 18, 1991	Third Element Additions to Aluminum-Titanium Master Alloys
		Mar 07, 1989	Granted	2243374	Aug 26, 1992	Third Element Additions to Aluminum-Titanium Master Alloys
USA	Jun 10, 1999	Abandoned ¹			Strontium Master Alloy Composition Having a Reduced Solidus Temperature and Method of Manufacturing Same	
		Granted	5,769,922	06/23/1998	Method for Producing Vanadium-Aluminum-Ruthenium Master Alloys and Master Alloy Compositions	
		Granted	5,316,723	05/31/1994	Master Alloys for Beta 21S Titanium-Based Alloys	
		Granted	5,364,587	11/15/1994	Nickel Alloy for Hydrogen Battery Electrodes	
Canada		Granted	5,422,069	06/06/1995	Master Alloys for Beta 21S Titanium-Based Alloys and Method of Making the Same	
	07/23/1993	Granted	2,127,121	07/23/1993	Master Alloy for Beta 21S Titanium-Based Alloys and Method of Making the Same	
Europec	07/23/1993	Granted	2,140,337	07/23/1993	Nickel Alloy for Hydrogen Battery Electrodes	
	07/23/1993	Granted	0652980	07/23/1993	Master Alloy for Beta 21S Titanium-Based Alloys and Method of Making the Same	
Japan		Granted	2800137	07/10/1998	Master Alloy for Beta 21S Titanium-Based Alloys and Method of Making the Same	

¹ Will be allowed to expire without payment of maintenance fees currently due.

² Allowed but not patented yet

³ KB did not want to pursue

PATENT APPLICATIONS

Grantor	Country	Application Number	Filing Date	Status	Patent No	Issue Date
KB Alloys, Inc.	USA	60/428,380	Nov 2, 2002	Pending ¹	Pending	Pending
	Venezuela	Provisional 0301/92	Feb 15, 1989	Pending		
Reading Alloys, Inc.	Norway	99-001040	Jun 03, 1999	Pending		
	USA	1999 2753	Jun 07, 1999	Pending		
	International	10/428,430	05/02/2003	Pending		
	Chile	10/834,427	04/29/2004	Pending		
	Venezuela	PCT/US04/1 3670	04/29/2004	Pending		
	Thailand	2004-0943	05/03/2004	Pending		
	Malaysia	2004-000690	04/28/2004	Pending		
	Taiwan	090561	04/30/2004	Pending		
Argentina	None	04/30/2004	Pending			
		093112136	04/30/2004	Pending		
		P040101488	04/30/2004	Pending		

¹ Provisional abandoned and utility now in formal application stage