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U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): 2-2-04  
GOLDENDALE ALUMINUM COMPANYAdditional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

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

Execution Date: 12/21/98

2. Name and address of receiving party(ies)

Name: U.S. TRUST COMPANY, NATIONAL  
Association

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

Street Address: \_\_\_\_\_

One Embarcadero Center, Suite 2050City: San Francisco State: CA Zip: 94111Additional 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) 5,664,617Additional numbers attached? ☐ Yes ☒ No

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

Name: Lanning G. Bryer

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

Street Address: Ladas & Parry26 West 61st StreetCity: New York State: NY Zip: 100236. Total number of applications and patents involved: 17. Total fee (37 CFR 3.41).....\$ 40

- ☒ Enclosed  
☐ Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

DO NOT USE THIS SPACE

9. Signature.

Lanning G. Bryer

Name of Person Signing

11/30/04  
Signature11/30/04  
DateTotal number of pages including cover sheet, attachments, and documents: 16Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

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PATENT  
REEL: 014964 FRAME: 0045

## SECURITY AGREEMENT

SECURITY AGREEMENT made this 21st day of December, 1998 ("Agreement"), by GOLDENDALE ALUMINUM COMPANY, GOLDENDALE HOLDING COMPANY, NORTHWEST ALUMINUM COMPANY, NORTHWEST ALUMINUM SPECIALTIES, INC., and NORTHWEST ALUMINUM TECHNOLOGIES, LLC (the "Obligors"), in favor of U.S. TRUST COMPANY, NATIONAL ASSOCIATION, as collateral agent (in such capacity, the "Collateral Agent") for and on behalf of the holders of the Notes, under (and as defined in) the Indenture dated as of December 21, 1998 (the "Indenture").

WHEREAS, it is a condition precedent to the Collateral Agent entering into the Indenture and to the purchase of the Notes that the Obligors execute and deliver this Agreement and grant the security interests herein provided;

NOW, THEREFORE, in order to induce the Collateral Agent to enter into the Indenture and the holders of the Notes to purchase the Notes, and in consideration thereof, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Obligors agree as follows:

Section 1. Definitions. All capitalized terms used herein or in any certificate, report, or other document delivered pursuant hereto shall have the meanings assigned to them below or in the Indenture (unless otherwise defined). Except as otherwise defined, terms defined in the Uniform Commercial Code shall have the meanings set forth therein.

Accounts. All "accounts" as defined in the Uniform Commercial Code, or in Chapter 79, Oregon Revised Statutes, or Title 62A, Article 9, Revised Code of Washington.

Collateral. All Equipment of the Obligors of every kind and description, whether now owned or hereafter acquired, together with any and all additions, substitutions, replacements, and accessions thereto; all General Intangibles; all Securities; all "deposit accounts" as defined in the Uniform Commercial Code, or in Chapter 79, Oregon Revised Statutes, or Title 62A, Article 9, Revised Code of Washington, cash or other property owned by the Obligors or in which the Obligors have an interest that are now or may hereafter be in the possession, custody, or control of the Collateral Agent or the holder of any Note or its participants or assigns for any purpose, or that are now or may hereafter be in the possession, custody or control of any other party for any purpose, to the extent that they contain or comprise proceeds of Equipment or any Asset Sale (as defined in the Indenture); all instruments, documents of title, policies and certificates of insurance relating to any of the foregoing; provided, however, that Collateral does not include Proceeds of Inventory or Accounts or the Tolling Agreements.

Equipment. All machinery, equipment, fixtures, furniture, furnishings, trade fixtures, specialty tools, parts, motor vehicles, and materials handling equipment of the Obligors, together with the Obligors' interest in, and right to, any and all manuals, computer programs, databases, and other materials relating to the use, operation, or structure of any of the foregoing; and all other property constituting "equipment," as such term is defined in the Uniform

Commercial Code, or "equipment" or "fixture" as defined in Chapter 79, Oregon Revised Statutes, or Title 62A, Article 9, Revised Code of Washington.

General Intangibles. All rights with respect to trademarks, service marks, trade names, trade styles, patents, copyrights, trade-secrets information, other intellectual property, other proprietary rights, and rights to prevent others from doing acts that constitute unfair competition with the Obligors or misappropriation of their property, including without limitation any sums (net of expenses) that the Obligors may receive arising out of any claim for infringement of their rights in any of the foregoing, and all rights of the Obligors under contracts to enjoy performance by others or to be entitled to enjoy rights granted by others, including without limitation any licenses; all obligations and indebtedness of any kind (other than Accounts) owing to the Obligors from whatever source arising; all contract rights except that certain Aluminum Toll Conversion Agreement, dated as of September 15, 1986, by and between Glencore Ltd. (formerly Clarendon Ltd.) and Northwest Aluminum Company, as amended, extended, modified or supplemented from time to time and that certain Agreement to Toll Convert Alumina into Aluminum (Tolling Contract), dated May 22, 1996, by and between Goldendale Aluminum Company and Hydro Aluminum Louisville, Inc., as amended, extended, modified or supplemented from time to time (the "Tolling Agreements"); all rights of the Obligors as a bailor; all rights, title, and interest of the Obligors in and to all documents, books, records, files, and other information (on whatever medium recorded, and including without limitation computer programs, tapes, disks, punch cards, data processing software, and related property and rights) maintained by the Obligors that reflect the conduct of the Obligors' business, such as financial records, marketing and sales records, research and development records, and design, engineering, and manufacturing records; all rights under service bureau service contracts; all computer data and the concepts and ideas on which said data is based; all developmental ideas and concepts, papers, plans, schematics, drawings, blueprints, sketches, and documents; all databases; all customer lists; and all other property constituting "general intangibles," as such term is defined in the Uniform Commercial Code, or "general intangibles" as defined in Chapter 79, Oregon Revised Statutes, or Title 62A, Article 9, Revised Code of Washington, except that "General Intangibles" shall not include any of the foregoing that relate to Accounts, Inventory or the Tolling Agreements.

Inventory. All "inventory" as defined in the Uniform Commercial Code, or in Chapter 79, Oregon Revised Statutes, or Title 62A, Article 9, Revised Code of Washington.

Perfection Certificate. A certificate signed by a Responsible Officer of the Obligors in the form attached hereto as Exhibit A.

Proceeds. All proceeds of and all other profits, rentals, and receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing, or other disposition of, or realization upon, any Collateral, including without limitation all claims of the Obligors against third parties for loss of, damage to, or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral, in each case whether now existing or hereafter arising.

Securities. All of the shares, whether now owned or hereafter acquired, of all stock, membership or partnership interests in any existing or future Subsidiary, all warrants, options and other rights to acquire any such stock, membership or partnership interests now or at any time or times hereafter owned or issued by any Obligor, all equity or non-equity securities or interests issued to or acquired by any Obligor in respect of the foregoing in connection with any dividend, reclassification, readjustment or other change in any such stock, membership or partnership interest, and all documents of transfer associated with any of the foregoing.

Secured Obligations. The debt evidenced by the Notes, together with interest as therein provided and all renewals, replacements, modification, consolidations and extensions thereof; the full and prompt payment and performance of all of the provisions, agreements, covenants and obligations contained in the Indenture and the Guarantees; the full and prompt payment and performance of all of the provisions, agreements, covenants and obligations herein contained and contained in any other agreements, documents or instruments now or hereafter evidencing, securing or otherwise relating to the obligations evidenced by the Notes, the Indenture, the Guarantees, and such other agreements, documents and instruments, together with any and all renewals, amendments, replacements, extensions and modifications thereof; and the payment of all sums therein covenanted to be paid.

Security Interests. The security interests and liens granted pursuant to Section 2 hereof, as well as all other security interests created or assigned as additional security for the Secured Obligations pursuant to this Agreement.

Uniform Commercial Code. The Uniform Commercial Code as in effect in the State of New York, provided that, if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interests in any Collateral is governed by the Uniform Commercial Code, as in effect in any jurisdiction other than the State of New York, "Uniform Commercial Code" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

Section 2. Grant. To secure the full and punctual payment and performance of the Secured Obligations, the Obligors hereby assign (for security) and pledge to the Collateral Agent for its benefit and the ratable benefit of the holders of the Notes all of their right, title, and interest in the Collateral, and grant to the Collateral Agent for its benefit and the ratable benefit of the holders of the Notes a continuing security interest in the Collateral. The Security Interests are granted as security only and shall not subject the Collateral Agent or the holders of the Notes to, or transfer to the Collateral Agent, or the holders of the Notes or in any way affect or modify any obligation or liability of the Obligors with respect to any of the Collateral or any transaction in connection therewith. Each of the holders of the Notes shall be deemed to hold an equitable interest, proportionate to such holder's interest in the aggregate principal amount of the Notes, in the Collateral.

Section 3. Representations, Warranties, and Covenants. The Obligors hereby make the following representations and warranties and agree to the following covenants, each of

which representations, warranties, and covenants shall be continuing and in force so long as this Agreement is in effect:

3.1. Name; Location; Changes.

(a) The names of the Obligors set forth in Section 1(a) of the Perfection Certificate are the true and correct legal names of the Obligors, and except as otherwise disclosed to the Collateral Agent in the Perfection Certificate, the Obligors have not done business as or used any other names.

(b) The addresses of the Obligors set forth in Section 2(a) of the Perfection Certificate are the Obligors' chief executive offices and the places where their business records are kept. Except as disclosed on the Perfection Certificate, all tangible Collateral of the Obligors other than Securities is located at such chief executive offices.

(c) The Obligors will not change their name, identity, or organizational structure or chief executive office or place where their business records are kept, or move any tangible Collateral (other than Securities) to a location other than those set forth in the Perfection Certificate, or merge into or consolidate with any other entity other than a merger of Goldendale Holding Company and Goldendale Aluminum Company, unless the Obligors shall have given the Collateral Agent at least 30 days' prior written notice thereof and the Obligors shall have delivered to the Collateral Agent such new Uniform Commercial Code financing statements or other documentation as may be reasonably necessary or reasonably required by the Collateral Agent to ensure the continued perfection and priority of the Security Interest.

3.2. Ownership of Collateral; Absence of Liens and Restrictions. The Obligors are, and in the case of property acquired after the date hereof, will be, the sole legal and equitable owners of the Collateral, holding good and marketable title to the same, free and clear of all Liens except for the Security Interests and Permitted Liens, and have good right and legal authority to assign, deliver, and create a security interest in the Collateral in the manner herein contemplated. The Collateral is not subject to any restriction that would prohibit or restrict the assignment, delivery, or creation of the security interests contemplated hereunder.

3.3. First Priority Security Interest. This Agreement creates a valid and continuing lien on and security interest in the Collateral, and upon the filing of Uniform Commercial Code financing statements in the appropriate offices for the locations of Collateral listed in the Obligors' Perfection Certificate, the Security Interests will be perfected (except to the extent a security interest may not be perfected by filing under the Uniform Commercial Code), prior to all other Liens except Permitted Liens, and is enforceable as such against creditors of the Obligors, any owner of the real property where any of the Collateral is located, any purchaser of such real property, and any present or future creditor obtaining a lien on such real property.

3.4. No Conflicts. Neither the Obligors nor any of their predecessors have performed any acts or are bound by any agreements that could reasonably be expected to prevent

the Collateral Agent from enforcing the Security Interests or any of the terms of this Agreement or that would limit the Collateral Agent in any such enforcement. Except as specifically disclosed in the Perfection Certificate, no financing statement under the Uniform Commercial Code of any state or other instrument evidencing a lien that names the Obligor as debtor is on file in any jurisdiction and the Obligor has not signed any such document or any agreement authorizing the filing of any such financing statement or instrument.

3.5. Sales and Further Encumbrances. The Obligor will not sell, grant, assign, or transfer any interest in, or permit to exist any Lien on, any of the Collateral, except the Security Interests and as permitted by the Indenture.

3.6. Fixture Conflicts: Required Waivers. The Obligor intends, to the extent not inconsistent with applicable law, that the Collateral shall remain personal property of the Obligor and shall not be deemed to be a fixture irrespective of the manner of its attachment to any real estate. The Obligor will deliver to the Collateral Agent such disclaimers, waivers, or other documents as the Collateral Agent may reasonably request to confirm the foregoing, executed by each person having an interest in such real estate.

3.7. Inspection; Verification of Accounts. The Obligor shall keep complete and accurate books and records relating to the Collateral and, upon request of the Collateral Agent, shall stamp or otherwise mark such books and records in such manner as the Collateral Agent may reasonably request in order to reflect the Security Interests. The Obligor will allow the Collateral Agent or its designees to examine, inspect, and make extracts from or copies of the Obligor's books and records, and inspect the Collateral under reasonable procedures established by the Collateral Agent after consultation with the Obligor.

3.8. [Reserved]

3.9. General Intangibles. The Obligor will apply for, and diligently pursue applications for, registration of their ownership of material General Intangibles constituting Collateral and for which registration is appropriate and where the failure to obtain registration could reasonably be expected to result in a material adverse effect on the Obligor, taken as a whole, and will use such other measures as are appropriate to preserve their rights in their other General Intangibles constituting Collateral. The Obligor will, at the reasonable request of the Collateral Agent, retain off-site current copies of all materials created by or furnished to the Obligor on which is recorded then-current information about any computer programs or databases that the Obligor has developed or otherwise have the right to use from time to time. Such materials include without limitation magnetic or other computer media on which object, source, or other code is recorded or that are documentation of those computer programs or databases, in the nature of listing printouts, narrative descriptions, flow diagrams, and similar things. The Obligor will, at the request of the Collateral Agent, deliver a set of such copies to the Collateral Agent for safekeeping and retention or transfer in the event of foreclosure.

3.10. Securities. Until the occurrence of an Event of Default, the Obligor shall retain the right to vote any of the Securities constituting Collateral in a manner not inconsistent with the terms of this Agreement and the Indenture. If the Obligor, as registered holder of such

Securities, receive (i) any dividend or other distribution in cash or other property in connection with the liquidation or dissolution of the issuer of such Securities, or in connection with the redemption or payment of such Securities, or (ii) any stock certificate, option, or right, or other distribution, whether as an addition to, in substitution of, or in exchange for such Securities, or otherwise, the Obligors agree to accept the same in trust for the Collateral Agent and, after the occurrence and during the continuation of an Event of Default, to deliver the same forthwith to the Collateral Agent or its designee, in the exact form received, with the Obligors' endorsement or reassignment when necessary, to be held by the Collateral Agent as Collateral. Upon request of the Collateral Agent, the Obligors will (i) deliver all of their Securities constituting Collateral and represented by certificates to the Collateral Agent to hold pursuant to the terms of this Agreement, and (ii) register in the name of the Collateral Agent or its designee any uncertificated Security constituting Collateral or the Collateral Agent's security interest therein on the books maintained by or on behalf of the issuer thereof or the depository therefor.

3.11. Further Assurances. Upon the reasonable request of the Collateral Agent, and at the sole expense of the Obligors, the Obligors will promptly execute and deliver such further instruments and documents and take such further actions as the Collateral Agent may reasonably request: to obtain the full benefits of this Agreement and of the rights and powers herein granted, including without limitation filing of any financing statement or notice under the Uniform Commercial Code or other applicable law, execution of assignments or mortgages of General Intangibles, delivery of appropriate stock or bond powers, and transfer of Collateral (other than Equipment) to the Collateral Agent's possession. The Obligors authorize the Collateral Agent to file any such financing statement without the signature of the Obligors to the extent permitted by applicable law and to file a copy of this Agreement in lieu of a financing statement. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall upon request be promptly delivered to the Collateral Agent, duly endorsed in a manner reasonably satisfactory to it. If any Collateral is at any time in the possession or control of any warehouseman, bailee, or the Obligors' agents or processors, the Obligors shall, upon request of the Collateral Agent, notify such warehouseman, bailee, agent, or processor of the Security Interests and to hold all such Collateral for the Collateral Agent's account subject to the Collateral Agent's instructions.

Section 4. Notices and Reports Pertaining to Collateral. The Obligors will, with respect to the Collateral:

(a) promptly furnish to the Collateral Agent, from time to time upon request, reports concerning the Collateral in form and detail reasonably satisfactory to the Collateral Agent;

(b) promptly notify the Collateral Agent of any Liens (except Permitted Liens) asserted against the Collateral, including any attachment, levy, execution, or other legal process levied against any of the Collateral, and of any information received by the Obligors relating to the Collateral that could reasonably be expected to materially adversely affect the value of the Collateral or the rights and remedies of the Collateral

Agent with respect thereto in either case involving an amount in excess of \$1,000,000;  
and

(c) promptly after the application by the Obligors for registration of any material General Intangibles notify the Collateral Agent thereof.

The Obligors authorize the Collateral Agent to destroy all invoices, delivery receipts, reports, and other types of documents (other than documents constituting Collateral) and records submitted to the Collateral Agent in connection with the transactions contemplated herein at any time subsequent to 12 months from the time such items are delivered to the Collateral Agent.

Section 5. Collateral Agent's Rights and Remedies in General.

(a) So long as any Event of Default shall have occurred and is continuing:

(i) the Collateral Agent may, at its option, without notice or demand, take immediate possession of the Collateral, and for that purpose the Collateral Agent may, so far as the Obligors can give authority therefor, enter upon any premises on which any of the Collateral is situated and remove the same therefrom or remain on such premises and in possession of such Collateral for purposes of conducting a sale or enforcing the rights of the Collateral Agent;

(ii) the Obligors will, upon demand, assemble the Collateral and make it available to the Collateral Agent at a place and time designated by the Collateral Agent that is reasonably convenient to both parties;

(iii) the Collateral Agent may collect and receive all income and Proceeds in respect of any Collateral and exercise all rights of the Obligors with respect thereto, including without limitation the right to exercise all voting and corporate rights at any meeting of the shareholders of the issuer of any Securities and to exercise any and all rights of conversion, exchange, subscription, or any other rights, privileges, or options pertaining to any Securities as if the Collateral Agent were the absolute owner thereof, including the right to exchange, at its discretion, any and all of any Securities upon the merger, consolidation, reorganization, recapitalization, or other readjustment of the issuer thereof, all without liability except to account for property actually received (but the Collateral Agent shall have no duty to exercise any of the aforesaid rights, privileges, or options and shall not be responsible for any failure to do so or delay in so doing);

(iv) the Collateral Agent may sell, lease, or otherwise dispose of any Collateral at a public or private sale, with or without having such Collateral at the place of sale, and upon such terms and in such manner as the Collateral Agent may determine, and the Collateral Agent may purchase any Collateral at any such sale. Unless such Collateral threatens to decline rapidly in value or is of the type customarily sold on a recognized market, the Collateral Agent shall send to the



Obligors prior written notice (which, if given at least ten days of any sale, shall be deemed to be reasonable) of the time and place of any public sale of such Collateral or of the time after which any private sale or other disposition thereof is to be made. The Obligors agree that upon any such sale, such Collateral shall be held by the purchaser free from all claims or rights of every kind and nature, including any equity of redemption or similar rights, and all such equity of redemption and similar rights are hereby expressly waived and released by the Obligors. In the event any consent, approval, or authorization of any governmental agency is necessary to effectuate any such sale, the Obligors shall execute all applications or other instruments as may be required; and

(v) in any jurisdiction where the enforcement of its rights hereunder is sought, the Collateral Agent shall have, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code and other applicable law.

(b) The Collateral Agent may perform any covenant or agreement of the Obligors contained herein that the Obligors have failed to perform, and in so doing, the Collateral Agent may expend such sums as it may reasonably deem advisable in the performance thereof, including without limitation the payment of any taxes or insurance premiums, payment to obtain a release of a Lien or potential Lien, expenditures made in defending against any adverse claim, and all other expenditures that the Collateral Agent may make for the protection of any Collateral or that it may be compelled to make by operation of law. All such sums and amounts so expended shall be repaid by the Obligors upon demand, shall constitute additional Secured Obligations, and shall bear interest from the date said amounts are expended at the rate per annum provided in the Indenture after the occurrence of an Event of Default. No such performance of any covenant or agreement by the Collateral Agent on behalf of the Obligors, and no such advance or expenditure therefor, shall relieve the Obligors of any Event of Default under the terms of this Agreement [the Notes, the Indenture, or any other instrument, document or agreement securing the Secured Obligations or the other [Loan Documents]].

(c) prior to any disposition of Collateral pursuant to this Agreement, the Collateral Agent may, at its option, cause any of the Equipment to be repaired or reconditioned (but not upgraded unless mutually agreed by the Collateral Agent and the Obligors) in such manner and to such extent as to make it salable.

(d) The Collateral Agent is hereby granted a license or other right to use, without charge, the Obligors' labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, and advertising matter, or any property of a similar nature, relating to the Collateral, in completing production of, advertising for sale, and selling any Collateral; and the Obligors' rights under all licenses and all franchise agreements shall inure to the Collateral Agent's benefit.

(e) The Obligors recognize that the Collateral Agent may be unable to effect a public sale of all or a part of the Securities by reason of certain prohibitions contained in the Securities Act of 1933 (as amended from time to time, the "Securities Act") or the securities laws of various states (the "Blue Sky Laws") but may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Securities for their own account, for investment, and not with a view to the distribution or resale thereof. The Obligors acknowledge that private sales so made may be at prices and upon other terms less favorable to the seller than if the Securities were sold at public sales. The Obligors agree that the Collateral Agent has no obligation to delay sale of any of the Securities for the period of time necessary to permit the Securities to be registered for public sale under the Securities Act or the Blue Sky Laws and that private sales made under the foregoing circumstances shall be deemed to have been made in a commercially reasonable manner.

(f) The Collateral Agent shall be entitled to retain and to apply the Proceeds of any disposition of the Collateral, first, to its reasonable expenses of retaking, holding, protecting, and maintaining, and preparing for disposition and disposing of, the Collateral, including attorneys' fees and other legal expenses incurred by it in connection therewith; and second, to the payment of the Secured Obligations in such order of priority as the Collateral Agent shall determine or as provided in the Indenture. Any surplus remaining after such application shall be paid to the Obligors or to whomever may be legally entitled thereto, provided that in no event shall the Obligors be credited with any part of the Proceeds of the disposition of the Collateral until such Proceeds shall have been received in cash by the Collateral Agent. The Obligors shall remain liable for any deficiency.

(g) The Obligors hereby appoint the Collateral Agent and each of the Collateral Agent's designees or agents as attorney-in-fact of the Obligors, irrevocably and with power of substitution, with full authority in the names of the Obligors, the Collateral Agent, or otherwise, for sole use and benefit of the Collateral Agent, but at the Obligors' expense, so long as an Event of Default is continuing, to take any and all of the actions specified above in this Section 5 and elsewhere in this Agreement. This power of attorney is a power coupled with an interest and shall be irrevocable for so long as any of the Secured Obligations remain outstanding.

Section 6. Collateral Agent's Rights and Remedies with Respect to Collateral. The Collateral Agent may, at its option, at any time and from time to time after the occurrence and during the continuance of an Event of Default, without notice to or demand on the Obligors, take the following actions with respect to the Collateral:

(a) with respect to any Equipment (i) make, adjust, and settle claims under any insurance policy related thereto and place and pay for appropriate insurance thereon; (ii) discharge taxes and other Liens at any time levied or placed thereon; (iii) make repairs or provide maintenance with respect thereto; and (iv) pay any necessary filing fees and any taxes arising as a consequence of any such filing. The Collateral Agent shall have no

obligation to make any such expenditures nor shall the making thereof relieve the Obligors of their obligations to make such expenditures; and

(b) with respect to any Securities (i) transfer them at any time to itself, or to its nominee, and receive the income thereon and hold the same as Collateral hereunder or apply it to any matured Secured Obligations; and (ii) demand, sue for, collect, or make any reasonable compromise or settlement it deems desirable.

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

Section 7. Set-off Rights. Regardless of the adequacy of any Collateral or any other means of obtaining repayment for any Secured Obligations, the Collateral Agent may at any time and from time to time, after of the occurrence and during the continuance of an Event of Default and without notice to the Obligors (any such notice being expressly waived by the Obligors) and to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) and other sums credited by or due from the Collateral Agent to the Obligors or subject to withdrawal by the Obligors and any other property and securities at any time in the possession or control of the Collateral Agent against any Secured Obligations, whether or not the Collateral Agent shall have made any demand for such Secured Obligations and although such Secured Obligations may be contingent or unmatured.

Section 8. Waivers. The Obligors waive presentment, demand, notice, protest, notice of acceptance of this Agreement, notice of any loans made, credit or other extensions granted, Collateral received or delivered, and any other action taken in reliance hereon and all other demands and notices of any description, except for such demands and notices as are expressly required to be provided to the Obligors under this Agreement or any other document evidencing the Secured Obligations. The Obligors waive, to the full extent permitted by law, the benefit of all appraisal, valuation, stay, extension, and redemption laws now or hereafter in force and all rights of marshaling in the event of any sale or disposition of any of the Collateral. With respect to both the Secured Obligations and any Collateral, the Obligors assent to any extension or postponement of the time of payment or any other forgiveness or indulgence, to any substitution, exchange, or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromise, or adjustment of any thereof, all in such manner and at such time or times as the Collateral Agent may deem advisable. The Collateral Agent may exercise its rights with respect to any Collateral without resorting, or regard, to other collateral or sources of reimbursement for Secured Obligations. The Collateral Agent shall not be deemed to have waived any of its rights with respect to the Secured Obligations or the Collateral unless such waiver is in writing and signed by the Collateral Agent. No delay or omission on the part of the Collateral Agent in exercising any right and no course of dealing shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not bar or waive the exercise of any right on any future occasion. All rights and remedies of the Collateral Agent in the Secured Obligations or

the Collateral, whether evidenced hereby or by any other instrument or papers, are cumulative and not exclusive of any remedies provided by law or any other agreement, and may be exercised separately or concurrently.

Section 9. Expenses. The Obligors shall, on demand, pay or reimburse the Collateral Agent for all reasonable expenses (including reasonable attorneys' fees) incurred or paid by the Collateral Agent in connection with the administration or enforcement, of this Agreement, its on-site periodic examinations of the Collateral, and any other amounts permitted to be expended by the Collateral Agent hereunder, including without limitation such expenses as are incurred to preserve the value of the Collateral and the validity, perfection, priority, and value of any security interest created hereby, the collection, sale, or other disposition of any of the Collateral or the exercise by the Collateral Agent of any of the rights conferred upon it hereunder. The obligation to pay any such amount shall be an additional Obligation secured hereby and if not paid within 10 days after demand shall bear interest from the time of demand at the rate per annum provided in the Indenture after the occurrence of an Event of Default.

Section 10. Notices. Any demand or notice under this Agreement shall be given in the manner provided for the giving of notices under the Indenture. Notices to Collateral Agent shall be given as indicated for the "Trustee" thereunder.

Section 11. Joinder. The Obligors agree that from time to time in the event that they shall acquire or form any Subsidiary, they shall cause such Subsidiary to execute and deliver a counterpart of this Agreement and a Perfection Certificate, and that upon such execution and delivery, this Agreement shall become the binding obligation of such Subsidiary and shall create a valid and continuing lien on and security interest in the Collateral of such Subsidiary.

Section 12. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Obligors and their 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 Obligors may not assign or transfer their rights or obligations hereunder.

Section 13. Governing Law. THIS 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). THE OBLIGORS 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 AGREEMENT. THE OBLIGORS 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 14. Waiver of Jury Trial. EACH OF THE OBLIGORS AND THE COLLATERAL AGENT HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW, EACH OF THE OBLIGORS AND THE COLLATERAL AGENT HEREBY WAIVES ANY RIGHT IT 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 OBLIGORS (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) ACKNOWLEDGE THAT THE COLLATERAL AGENT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BECAUSE OF, AMONG OTHER THINGS, THE OBLIGORS' WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

Section 15. If any Obligor is designated an Unrestricted Subsidiary under the Indenture or if any of the 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 Collateral of such Obligor or the Sale Collateral, as applicable, shall be automatically released and the Collateral Agent shall execute and deliver to such Obligor such release documentation as the Obligor shall reasonably require to effect such release and return to such Obligor any such Collateral of such Obligor or any Sale Collateral, as applicable, in the possession of the Collateral Agent.

Section 16. General. None of the terms and provisions of this Agreement may be waived, altered, modified, or amended except by an instrument in writing executed by the parties hereto in accordance with the Indenture. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. Section headings are for convenience of reference only and are not a part of this Agreement. In the event of any conflict or inconsistency between the provisions of this Security Agreement and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the Obligor has caused this Security Agreement to be executed as of the date first written above.

GOLDENDALE ALUMINUM  
COMPANY

By: Brett E. Wilcox  
Brett E. Wilcox  
President

GOLDENDALE HOLDING COMPANY

By: Brett E. Wilcox  
Brett E. Wilcox  
President

NORTHWEST ALUMINUM COMPANY

By: Brett E. Wilcox  
Brett E. Wilcox  
President

NORTHWEST ALUMINUM  
SPECIALTIES, INC.

By: Brett E. Wilcox  
Brett E. Wilcox  
President

NORTHWEST ALUMINUM  
TECHNOLOGIES, LLC

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

By: Brett E. Wilcox  
Brett E. Wilcox  
President

ACCEPTED IN PORTLAND,  
OREGON, AS OF THE DATE  
FIRST WRITTEN ABOVE.

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

By: Kenneth R. Reed  
Its: Vice President