


**RECORDATION FORM COVER SHEET
PATENTS ONLY**

To the director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s): Latrobe Steel Company Execution Date(s) <u>March 6, 2008</u> Additional names of conveying parties attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		2. Name and address of receiving party(ies) Name: <u>Wachovia Bank, National Association</u> Internal Address: _____ Street Address: <u>301 S. College Street - NC0479</u> City: <u>Charlotte</u> State: <u>North Carolina</u> Country: <u>USA</u> Zip: <u>28202</u> Additional names, addresses, or citizenship attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Government Interest <input type="checkbox"/> Executive Order 9424, confirmatory License <input type="checkbox"/> Other _____		4. Application or patent number(s) <input type="checkbox"/> This document is being filed together with a new application. A. Patent Application No. (s) <u>See Attached Exhibit A</u> B. Patent No.(s) <u>See Attached Exhibit A</u>	
Additional numbers attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
5. Name address of party to whom correspondence concerning document should be mailed: Name: <u>Susan O'Brien</u> Internal Address: <u>UCC Direct Services</u> Street Address: <u>187 Wolf Road, Suite 101</u> City: <u>Albany</u> State: <u>New York</u> Zip: <u>12205</u> Phone Number: <u>800-342-3676</u> Fax Number: <u>800-962-7049</u> Email Address: <u>cls-udsalbany@wolterskluwers.com</u>		6. Total number of applications and registrations involved: <u>4</u> 7. Total fee (37 CFR 1.21(h) & 3.41) \$ <input type="checkbox"/> Authorized to be charged by credit card <input type="checkbox"/> Authorized to be charged to deposit account <input type="checkbox"/> Enclosed <input type="checkbox"/> None required (government interest not affecting title)	
9. Signature: <u></u> Signature <u>Mercedes Farinas</u> Name of Person Signing		8. Payment Information: a. Credit Card Last 4 Numbers _____ Expiration Date _____ b. Deposit Account Number _____ Authorized User Name: _____ Total number of pages including cover sheet, attachments, and document <u>11</u>	

Documents to be recorded (including cover sheet) should be faxed to (703) 308-6995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

OP \$120.00 5424028

**EXHIBIT A
TO
PATENT SECURITY AGREEMENT**

LIST OF PATENTS AND PATENT APPLICATIONS

Patent Description	Registration Number	Registration Date
Case Carburized Stainless Steel Alloy for High Temperature Applications	5,424,028	06/13/1995
Improved Chromium Hot Work Steel	5,207,843	05/04/1993
Nickel-Cobalt Base Alloy	4,795,504	01/03/1989

Patent Application	Reference Number
Nickel-Cobalt Based Alloy	980777

[EXECUTION]

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT ("Agreement"), dated March 6, 2008, is by and between Latrobe Steel Company, a Pennsylvania corporation, ("Debtor"), with its chief executive office at 2626 Ligonier Street, P.O. Box 31, Latrobe, Pennsylvania 15650, and Wachovia Bank, National Association, a national banking association, in its capacity as agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders and as otherwise provided therein (in such capacity, "Agent"), having an office at 301 South College Street, NC 0479, Charlotte, North Carolina 28202.

WITNESSETH:

WHEREAS, Debtor is the owner of the entire right, title, and interest in and to the patents and applications therefor described in Exhibit A hereto and made a part hereof; and

WHEREAS, Agent and the parties to the Loan Agreement as lenders (individually, each a "Lender" and collectively, "Lenders") have entered or are about to enter into financing arrangements pursuant to which Lenders (or Agent on behalf of Lenders) may make loans and advances and provide other financial accommodations to Debtor as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Agent, Lenders, Debtor and certain affiliates of Debtor (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement"; all defined terms not otherwise defined in the Agreement shall have the meanings set forth in the Loan Agreement) and the other Financing Agreements; and

WHEREAS, in order to induce Agent and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Debtor and certain of its affiliates pursuant thereto, Debtor has agreed to grant to Agent certain collateral security as set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST

To secure payment and performance of all of the Obligations, Debtor hereby grants to Agent (for itself and on behalf of the Secured Parties, as such term is defined in the Loan Agreement) a continuing security interest in and a lien upon the following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title and interest in and to all of Debtor's interest in any patents and all applications, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States of

America, any State thereof, any political subdivision thereof or in any other country, including, without limitation, those patents, applications, registrations and recordings described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any patents and all reissues, divisions, continuations, extensions and renewals thereof (all of the foregoing being collectively referred to herein as the "Patents"); (b) all present and future inventions and improvements described and claimed therein; (c) all income, fees, royalties and other payments at any time due or payable with respect thereto; (d) the right to sue for past, present and future infringements thereof; (e) all rights corresponding thereto throughout the world; and (f) any and all other proceeds of any of the foregoing, including, without limitation, all damages and payments or claims by Debtor against third parties for past or future infringement of the Patents.

2. OBLIGATIONS SECURED

The security interest and lien granted to Agent, for itself and the benefit of the other Secured Parties, pursuant to this Agreement shall secure the payment and performance of any and all of the Obligations.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor hereby represents, warrants and covenants with and to Agent and Lenders the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) Except for Patents that are otherwise not maintained in accordance with Section 3(e) hereof, all of the existing Collateral is valid and subsisting and has not been adjudged invalid or unenforceable, in whole or in part.

(b) Debtor authorizes Agent to have this Agreement or any other similar security agreement filed with the United States Commissioner of Patents and Trademarks or any other appropriate federal, state or government office, with respect to the security interest granted herein.

(c) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Agent five (5) originals of a Special Power of Attorney in the form of Exhibit B annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Agent's exercise of the rights and remedies granted to Agent hereunder. Agent shall not use any such Special Power of Attorney unless an Event of Default has occurred and is continuing.

(d) Debtor shall give written notice to Agent promptly after (but in no event later than thirty (30) days after) Debtor files any application for the registration of a Patent with the United States Patent and Trademark Office or any similar office or agency in the United States of America, any State thereof, any political subdivision thereof or in any other country. If, after the date hereof, Debtor shall (i) obtain any patent, including any reissue, division, continuation, continuation-in-part, or extension of any patent, file any patent application, including any application for reissue or extension of any patent, or any divisional, continuation, or

continuation-in-part application in the United States Patent and Trademark Office or in any similar office or agency in the United States of America, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any patent or new patentable inventions used in the United States of America, or any State thereof, political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Agent, Debtor shall promptly execute and deliver to Agent any and all assignments, agreements, instruments, documents and such other papers as may be reasonably requested by Agent to evidence the security interest in such Patent in favor of Agent.

(e) As of the date hereof, Debtor has not abandoned any of the Patents and (except as otherwise not prohibited by the Loan Agreement) Debtor will not do any act, nor omit to do any act, whereby the Patents may become abandoned, invalidated, unenforceable, avoided, or avoidable; provided, that, so long as no Event of Default shall exist or have occurred and be continuing, Debtor may abandon or cancel such Patents, which are not material and are no longer used or useful in the business of Debtor or any other Borrower or Guarantor and which has a minimal value. Promptly upon Agent's reasonable request, Debtor shall notify Agent if it knows of any reason why any application, registration, or recording with respect to the Patents may become abandoned, canceled, invalidated, avoided, or avoidable.

(f) Except for Patents that are abandoned or otherwise not maintained in accordance with Section 3(c) hereof, Debtor shall maintain all of its rights in applications and registrations of the Patents and protect Agent's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(g) To Debtor's knowledge, there has been no judgment holding any of the Patents invalid or unenforceable, in whole or in part, nor is the validity or enforceability of any of the Patents presently being questioned in any litigation or proceeding to which Debtor is a party which result could reasonably be expected to have a Material Adverse Effect. Upon Agent's reasonable request, Debtor shall promptly notify Agent if Debtor (or any affiliate or subsidiary thereof) has knowledge of any use by any person of any other process or product which infringes upon any Patent.

4. RIGHTS AND REMEDIES

At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Agent or any of the other Secured Parties, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Agent shall have the following rights and remedies (to the extent not prohibited by applicable law) which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder or is non-waivable under any applicable law:

(a) Agent may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Patents for any purpose whatsoever. Agent may make use of any Patents for the sale of goods, completion of work-in-process or rendering of services or otherwise in connection

with enforcing any other security interest granted to Agent by Debtor or any subsidiary or affiliate of Debtor or for such other reason as Agent may determine.

(b) Agent may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Agent shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Agent may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of ten (10) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Agent shall have the power to buy the Collateral or any part thereof, and Agent shall also have the power to execute assurances and perform all other acts which Agent may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to the terms hereof, Agent may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(c) hereof, one or more instruments of assignment of the Patents (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Agent on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and attorneys' fees and legal expenses. Debtor agrees that Agent and Lenders have no obligation to preserve rights to the Patents against any other parties.

(e) Debtor shall supply to Agent or to Agent's designee, Debtor's knowledge and expertise relating to the manufacture, sale and distribution of the products and services to which the Patents relate and Debtor's customer lists and other records relating to the Patents and the distribution thereof.

(f) All of Agent's rights and remedies, whether provided under, this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently. No failure or delay on the part of Agent or any other Secured Party in exercising any of its options, power or rights or partial or single exercise thereof, shall constitute a waiver of such option, power or right.

(g) Any proceeds from the Collateral received by Agent in connection with the exercise of its rights and remedies pursuant to this Section 4 shall be applied in accordance with Section 6.4 of the Loan Agreement.

5. MISCELLANEOUS

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made subject to the provisions of Section 13.3 of the Loan Agreement.

(b) Capitalized terms used herein and not defined herein shall have the meanings specified in the Loan Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, Agent, any Lender or any of the Secured Parties pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(c) This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon and inure to the benefit of and be enforceable by Agent, Debtor and their respective successors and assigns.

(d) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(e) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of any such agreement by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Debtor and Agent have executed this Agreement as of the day and year first above written.

LATROBE STEEL COMPANY

By: Paul B. Hill

Title: VP Chief Financial Officer

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Agent

By: _____

Title: _____

Signature Page to Patent Security Agreement

IN WITNESS WHEREOF, Debtor and Agent have executed this Agreement as of the
day and year first above written.

LATROBE STEEL COMPANY

By: _____

Title: _____

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Agent

By: Cecil Noble

Cecil Noble

Title: Vice President

Signature Page to Patent Security Agreement

SPECIAL POWER OF ATTORNEY

STATE OF _____)
) ss.:
COUNTY OF _____)

On this ____ day of March __, 2008, before me personally came _____,
to me known, who being duly sworn, did depose and say, that he is the _____ of Latrobe
Steel Company, the corporation described in and which executed the foregoing instrument; and
that he signed his name thereto by order of the board of directors of said corporation.

Notary Public