

10-09-2002



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REGISTRATION FORM COVER SHEET
TRADEMARKS ONLY

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

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼ ▼ ▼ ▼

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

1. Name of conveying party(ies):
Georgetown Steel Company, LLC
420 Hazard Street
Georgetown, SC 29440
10-4-02
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other a Delaware Limited Liability Company
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: The CIT Group/Business Credit, Inc.
Internal Address: _____
Address: _____
Street Address: Two Wachovia Center, 23 Floor
City: Charlotte State: NC Zip: 28202
 Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State New York
 Other _____
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other Notice of Grant of Security Interest
Execution Date: 07/10/2002

4. Application number(s) or registration number(s):
A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) 1,924,427

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Steven D. Thomas
Internal Address: Moore & Van Allen, PLLC

Street Address: 2200 West Main Street
Suite 800
City: Durham State: NC Zip: 27705

6. Total number of applications and registrations involved: 01

7. Total fee (37 CFR 3.41).....\$ 40.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
50-2316

DO NOT USE THIS SPACE

9. Signature.
Steven D. Thomas *Steven D. Thomas* October 4, 2002
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 06

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

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TRADEMARK
REEL: 002595 FRAME: 0183

OFFICE OF PATENT AND TRADEMARKS
FINANCE SECTION
OCT 14 AM 9:33

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT, dated as of July 10, 2002 (this "Agreement"), is between Georgetown Steel Company, LLC (f/k/a Midcoast Industries, LLC), a Delaware limited liability company (the "Company"), and The CIT Group/Business Credit, Inc., a New York company (the "Secured Party").

W I T N E S S E T H:

WHEREAS, the Secured Party has required that the Company grant a security interest in its property and assets as security for the Obligations under the Financing Agreement dated as of the date hereof between the Secured Party and the Company, (the "Financing Agreement"); and

WHEREAS, pursuant to the Financing Agreement, the Company has conveyed a security interest in, among other things, all right, title and interest of the Company in, to and under all of the Company's General Intangibles, including, without limitation, its trademarks, whether presently existing or hereafter arising or acquired;

NOW, THEREFORE, in consideration of the premises and to induce the Secured Party to enter into, inter alia, the Financing Agreement, the Company hereby agrees with the Secured Party 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 Financing 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. To secure the prompt and complete payment when due and satisfaction of the Obligations, the Company hereby pledges and grants to the Secured Party as collateral security a first priority security interest in the Company's entire right, title and interest in and to the Trademarks, and all proprietary rights in and to all products and all proceeds related thereto, now owned or existing or at any time hereafter acquired by the Company or in which the Company 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 rights corresponding thereto and the entire goodwill of each of

the Grantors' business connected with and symbolized by the Trademarks (referred to collectively as the "Trademark Collateral").

3. Financing Agreement. This Agreement has been executed and delivered by the Company for the purpose of recording the security interest of the Secured Party in the Trademark 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 Secured Party under the Financing Agreement. The Financing Agreement (and all rights and remedies of the Secured Party thereunder) shall remain in full force and effect in accordance with its terms.

4. Assignments of Trademarks and Goodwill. In addition to all other rights granted to the Secured Party under the Financing Agreement and this Agreement, effective only upon an Event of Default and an acceleration of the Obligations under the Financing Agreement, the Company hereby sells, assigns, transfers and sets over to the Secured Party, for collateral purposes only, the Company's entire right, title and interest in and to all Trademark Collateral and the goodwill of the Company's business connected with and symbolized by the Trademark Collateral.

5. Covenants.

(a) The Company hereby agrees not to divest itself of any right with respect to the Trademark Collateral absent prior written approval of the Secured Party; and

(b) The Company agrees, promptly upon learning thereof, to notify the Secured Party 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 Company's rights in, to and under any of the Trademark Collateral, or with respect to any party claiming that the Company's use of any of the Trademarks violate any property right of that party. The Company further agrees, unless otherwise directed by the Secured Party, diligently to prosecute any Person infringing any of the Trademarks.

6. Further Assurances.

(a) The Company shall execute and deliver to the Secured Party this Trademark Security Agreement, which shall be recorded in the appropriate government offices to perfect the security interests granted herein;

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

(c) The Company hereby grants the Secured Party 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 Trademark, and record the same.

7. Other Trademarks. Within 30 days of (i) acquisition of a Trademark, or (ii) of filing of an application to register a Trademark, the Company shall deliver to the Secured Party a copy of the registration, application and/or of the receipt issued by the United States Patent and Trademark Office with respect to the Trademark, with a grant of security as to such 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.

8. Release of Collateral and Termination. This Agreement and all obligations of the Company and the Secured Party hereunder shall terminate on the date upon which the Secured Party's commitments to lend under the Financing Agreement have terminated and the Obligations have been indefeasibly paid and satisfied in full without delivery of any instrument or performance of any act by any party. Upon termination of this Agreement, the Secured Party shall, at the sole expense of the Company, take such actions as reasonably may be necessary to release its security interest in the Trademark Collateral.


9. Acknowledgment. The Company does hereby further acknowledge and affirm that the rights and remedies of the Secured Party with respect to the Financing Agreement in the Trademark Collateral granted hereby are more fully set forth in the Financing Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein. In the event of any inconsistency between the terms of this Agreement and the terms of the Financing Agreement, the terms of the Financing Agreement shall govern.

10. Binding Effect; Benefits. This Agreement shall be binding upon the Company and its respective successors and assigns, and shall inure to the benefit of the Secured Party and its successors and assigns.

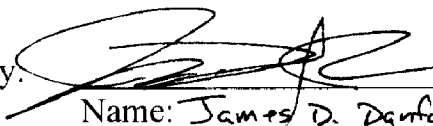
11. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW.

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

GEORGETOWN STEEL COMPANY, LLC
(F/K/A MIDCOAST INDUSTRIES, LLC)

By: 
Name: Peter B. Clarkfield
Title: V. Co. President

THE CIT GROUP/BUSINESS CREDIT, INC.

By: 
Name: James D. Danforth, Jr.
Title: VP

SCHEDULE 1

ISSUED AND ACTIVE U.S. TRADEMARK

<u>Title</u>	<u>Reg. No.</u>	<u>Issue Date</u>
Melt-to-Tensile	1,924,427	10/03/95

ISSUED AND ACTIVE FOREIGN TRADEMARKS

<u>Title</u>	<u>Country</u>	<u>Reg. No.</u>	<u>Issue Date</u>
Melt-to-Tensile	Canada	472801	03/18/97
Melt-to-Tensile	Mexico	489274	04/26/95

Georgetown Steel Company, LLC

U.S. Trademark

Registered Mark

Mark	Reg. No.	Reg. Date
MELT-TO-TENSILE	1924427	10/3/95