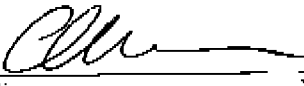


FORM PTO-1595	RECORDATION FORM COVER SHEET	U.S. DEPARTMENT OF COMMERCE
1/31/92	TRADEMARKS ONLY	
Patent and Trademark Office		
To the Director of Patents and Trademarks: Please Record the attached original documents or copy thereof.		
<p>1. Name of conveying party(ies): Webco Industries, Inc.</p> <p>Entity: <u>Oklahoma Corporation</u></p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies):</p> <p>Name: <u>Bank One, NA</u></p> <p>Internal Address: <u>120 S. LaSalle Street</u> <u>Chicago, Illinois 60603</u></p> <p>Entity: <u>National Association</u></p> <p>Additional Name(s) & Address(es) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____</p> <p>Execution Date <u>October 15, 2004</u></p>		
<p>4. Application or registration number(s):</p> <p>A. Trademark Application No.(s) <u>76/364,580</u></p> <p>B. Trademark Registration No. (s) <u>1,938,055</u></p> <p style="text-align: right;">Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		
<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Please send the recorded assignment back by fax to 312-258-5600 to the attention of: SCHIFF HARDIN LLP Chris Bollinger, Attorney P.O. Box 06079 Chicago, IL 60606-0079 Telephone: (312) 258-5500 Customer Number: 06984-0024</p>	<p>6. Total number of trademarks involved <u>2</u></p> <p>7. Total Fee (37 CFR 3.41) \$65.00 <input checked="" type="checkbox"/> Authorization is given to charge the deposit account for the above fee and any additional fees required or to credit any overpayment.</p> <p>8. Deposit Account Number: <u>19-0409</u> <small>(Attach duplicate copy of this page if paying by deposit account)</small></p>	
DO NOT USE THIS SPACE		
<p>9. Statement and signature: <i>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.</i></p> <p><u>Chris Bollinger</u> <u></u> <u>12/01/04</u> Name of Person Signing Signature Date</p> <p style="text-align: right;">Total number of pages including cover sheet and attached documents 16:</p>		
<p>Mail documents to be recorded and required cover sheet information to: By Fax: 703/306-5995 Commissioner of Patents and Trademarks Box Assignments Washington, D.C. 20231</p>		

CH \$65.00 190409 76364590

EXECUTION COPY**PATENT, COPYRIGHT, LICENSE AND
TRADEMARK SECURITY AGREEMENT**

This PATENT, COPYRIGHT, LICENSE AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of October 15, 2004, is made by **Webco Industries, Inc.**, an Oklahoma corporation ("Borrower"), in favor of **Bank One, NA**, as agent for itself and the Lenders referred to below (the "Agent").

RECITALS:

WHEREAS, Borrower is entering into that certain Loan and Security Agreement dated as of October 15, 2004 with certain financial institutions party thereto (collectively, the "Lenders") and the Agent (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"); and

WHEREAS, it is a condition to the effectiveness of the Loan Agreement and the Lenders' commitment to make certain loans and advances to Borrower that the Borrower execute and deliver this Agreement;

NOW THEREFORE, in consideration of the premises, to induce the Lenders to enter into the Loan Agreement, to induce the Lenders to make any loan or advance to the Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. **Incorporation of Loan Agreement.** The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. Terms used herein which are not defined herein but are defined in the Loan Agreement shall have the meanings ascribed to them therein.

2. **Grant of Security Interest, Etc.** To secure the complete and timely satisfaction of all Secured Obligations:

(A) Borrower hereby grants to the Agent for the benefit of each Holder of Secured Obligations a security interest in and to all of Borrower's right, title and interest in, to and under all of the following, whether now existing or hereafter arising:

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Schedule A attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a) through (d), inclusive, in which Borrower now or

hereafter has any right, title or interest are sometimes hereinafter individually and/or collectively referred to as the "Patents");

(ii) all copyrights, copyright registrations and copyright applications including, without limitation, the copyrights and applications listed on Schedule B attached hereto and made a part hereof, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights, copyright registrations and copyright applications, together with the items described in clauses (a) through (d), inclusive, in which Borrower now or hereafter has any right, title or interest are sometimes hereinafter individually and/or collectively referred to as the "Copyrights"); and

(iii) all of Borrower's rights and obligations pursuant to its license agreements with any other Person or Persons with respect to any Patents and Copyrights, whether Borrower is a licensor or licensee under any such license agreements, including, without limitation, the licenses listed on Schedule C attached hereto and made a part hereof, and, subject to the terms of such licenses, the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by Borrower and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "Patent and Copyright Licenses");

(iv) all service marks, trademarks, trademark or service mark registrations, trademark or service mark applications and trade names including, without limitation, the trademarks and service marks listed on Schedule D attached hereto and made a part hereof, and (a) renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all the foregoing service marks, trademarks, registrations, applications and trade names, together with the items described in clauses (a) through (d), inclusive, with respect thereto in which Borrower now or hereafter has any right, title or interest are sometimes hereinafter and/or collectively referred to as the "Marks");

(v) all of Borrower's rights and obligations pursuant to its license agreements with any other Person or Persons with respect to any Marks, whether Borrower is a licensor or licensee under any such license agreements, including, without limitation, the licenses listed on Schedule E attached hereto and made a part hereof, and, subject to the terms of such licenses, the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by Borrower and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to as "Trademark Licenses"; Patent and Copyright Licenses and Trademark Licenses are hereinafter referred to collectively as "Licenses"); and

(vi) the goodwill of Borrower's business connected with and symbolized by the Marks;

provided, however, that there shall be excluded from the foregoing grant of security interest any of the existing Licenses to which Borrower is a licensee (and any Patents, Marks and Copyrights currently licensed by others to Borrower pursuant to such Licenses) in each case to the extent (but only to the extent) that the applicable License lawfully prohibits such grant; provided further, however, that, upon Agent's request, Borrower will use its good faith reasonable efforts to obtain any consent needed to subject any such property to this grant of security interest.

3. **Restrictions on Future Agreements.** Borrower agrees and covenants that until the Secured Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Borrower will not, without Agent's prior written consent, take any action or enter into any agreement, including, without limitation entering into any license agreement, which is inconsistent with Borrower's obligations under this Agreement, and Borrower further agrees and covenants that without Agent's prior written consent it will not take any action, or permit any action to be taken by others subject to its control, including its licensees, or fail to take any action which would affect the validity or enforcement or nature of the rights transferred to Agent under this Agreement unless and to the extent that Borrower has concluded in the exercise of reasonable commercial judgment that any such rights are no longer of material importance to the business of Borrower. Borrower agrees and covenants not to sell or assign its interest in, or grant any license under, the Patents, Marks, Copyrights or Licenses, without receiving the prior written consent of Agent thereto.

4. **Certain Covenants, Representations and Warranties of Borrower.** Borrower covenants, represents and warrants (to the best of Borrower's knowledge with respect to any Patents, Marks and Copyrights which are licensed by third parties to Borrower) that: (i) the Patents, Marks, Copyrights and Licenses are subsisting, have not been adjudged invalid or unenforceable in whole or in part, and are not currently being challenged in any way; (ii) none of the Patents, Marks, Copyrights and Licenses have lapsed or expired or have been abandoned, whether due to any failure to pay any maintenance or other fees or make any filing or otherwise; (iii) each of the Patents, Marks, Copyrights and Licenses is valid and enforceable and Borrower is unaware of any invalidating prior art (including public uses and sales) relative to the Patents, and is unaware of any impairments to the Patents, Marks, Copyrights or Licenses which would have a material adverse effect on the validity and/or enforceability of the Patents, Marks, Copyrights or Licenses; (iv) to the best of Borrower's knowledge, no claim has been made that the use of any of the Patents, Marks, Copyrights or Licenses constitutes an infringement; (v) Borrower owns the entire right, title and interest in and to each of the Patents, Marks and Copyrights (other than those being licensed to Borrower pursuant to the Licenses) free and clear of any Liens and encumbrances of every kind and nature, and the Licenses are valid and subsisting licenses with respect to the Patents, Marks, Copyrights described therein, free and clear of any Liens and encumbrances of every kind and nature arising by, through or under Borrower, in each case except for (A) rights granted by Borrower pursuant to the applicable licenses listed on Schedules C and E, and (B) Liens and encumbrances in favor of Agent pursuant to this Agreement or the other Financing Agreements; (vi) the Patents, Marks and Copyrights and Licenses listed on Schedules A, B, C, D and E respectively, constitute all such items in which Borrower has any right, title or interest; (vii) Borrower has the unqualified right to enter into this Agreement and perform its terms; (viii) Borrower will continue to use proper statutory notice in connection with its use of the Patents, Marks and Copyrights (except as to any thereof which is no longer material to Borrower's business); and (ix) Borrower will use standards

of quality in its manufacture of products sold under the Marks consistent with those currently employed by it.

5. **New Patents, Marks, Copyrights and Licenses.** If, before the Secured Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Borrower shall (i) obtain rights to any new patentable inventions, trademarks, service marks, trademark or service mark registrations, copyrights, copyright registrations, trade names or licenses, or (ii) become entitled to the benefit of any patent, trademark or service mark application, trademark, service mark, trademark or service mark registration, copyrights, copyright registrations, license or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of Section 2 above shall automatically apply thereto and Borrower shall give to Agent prompt written notice thereof. Borrower hereby authorizes Agent to modify this Agreement by noting any future acquired Patents, Marks, Copyrights on Schedule A, B or D and any Licenses and licensed Patents, Marks or Copyrights on Schedules C or E, as applicable; provided, however, that the failure of Agent to make any such notation shall not limit or affect the obligations of Borrower or rights of Agent hereunder.

6. **Royalties; Terms.** Borrower hereby agrees that the security interest of Agent for the benefit of each Holder of Secured Obligations in all Patents, Marks, Copyrights and Licenses as described above shall be worldwide (or in the case of the Patents, Marks and Copyrights licensed to Borrower such smaller geographic location if any is specified for Borrower's use in the applicable License) and, without any liability for royalties or other related charges from Agent to Borrower. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Marks, Copyrights and Licenses assigned hereunder, or (ii) satisfaction in full of the Secured Obligations and termination of the Loan Agreement.

7. **Inspection.** Agent shall have the right, at any time and from time to time to inspect Borrower's premises and to examine Borrower's books, records and operations, including, without limitation, Borrower's quality control processes. From and after the occurrence and during the continuance of a Default and notice by Agent to Borrower of Agent's intention to enforce its rights and claims against any of the Patents, Marks, Copyrights and Licenses, Borrower agrees that Agent, or a conservator appointed by Agent, shall have the right to establish such additional product quality controls as Agent or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Marks consistent with the quality of products now manufactured by Borrower.

8. **Termination of Borrower's Interest.** This Agreement is made for collateral purposes only. Upon satisfaction in full of the Secured Obligations and termination of the Loan Agreement, subject to any disposition thereof which may have been made by Agent pursuant hereto or pursuant to any of the other Financing Agreements, the security interest granted hereunder shall automatically be extinguished. Agent shall, at Borrower's reasonable expense, execute and deliver to Borrower, all termination statements and other instruments as may be necessary or proper to evidence the termination of Agent's security interest granted to Agent pursuant to this Agreement, subject to any disposition thereof which may have been made

by Agent pursuant hereto or pursuant to any of the other Financing Agreements. Any such termination statements and instruments shall be without recourse upon or warranty by Agent.

9. **Duties of Borrower.** Except to the extent the same is no longer material to Borrower's business, Borrower shall have the duty (i) to prosecute diligently any patent application of the Patents, any application respecting the Marks, and any copyright application of the Copyrights pending as of the date hereof or thereafter, (ii) to make application on unpatented but patentable inventions and on registerable but unregistered trademarks, service marks and copyrights, and (iii) to preserve, maintain and enforce against infringement all rights in patent applications and patents constituting the Patents, in trademark or service mark applications, trademarks, service marks, and trademark or service mark registrations constituting the Marks, and in copyright applications, copyrights and copyright registrations constituting the Copyrights. Any expenses incurred in connection with the foregoing (including, but not limited to, maintenance or renewal fees) shall be borne by Borrower. Except to the extent the same is no longer material to Borrower's business, Borrower shall not abandon any pending patent application, trademark application, copyright application, service mark application, patent, trademark, service mark or copyright without the written consent of Agent (which consent shall not be unreasonably withheld).

10. **Agent's Right to Sue.** From and after the occurrence and during the continuance of a Default, Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, the Marks, the Copyrights and the Licenses, and any licenses thereunder, and, if Agent shall commence any such suit, Borrower shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents reasonably required by Agent in aid of such enforcement, and Borrower shall promptly, upon demand, reimburse and indemnify Agent for all reasonable costs and expenses incurred by Agent in the exercise of its rights under this Section 10.

11. **Waivers.** No course of dealing between Borrower and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

12. **Severability.** The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

13. **Modification.** This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

14. **Further Assurances.** Borrower shall execute and deliver to Agent, at any time or times hereafter at the request of Agent, all papers (including, without limitation, any as may be deemed desirable by Agent for filing or recording with any Patent and Trademark Office,

and any successor thereto) and take all such actions (including, without limitation, paying the cost of filing or recording any of the foregoing in all public offices reasonably deemed desirable by Agent), as Agent may request, to evidence Agent's interest in the Patents, Marks, Copyrights and Licenses and the goodwill associated therewith and enforce Agent's rights under this Agreement.


15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Agent's rights and remedies with respect to the Patents, Marks, Copyrights and Licenses, whether established hereby, by any of the Financing Agreements or otherwise, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby constitutes and appoints Agent as Borrower's true and lawful attorney-in-fact, with full power of substitution in the premises, with power at any time after the occurrence and during the continuance of a Default, to (i) endorse Borrower's name on all applications, documents, papers and instruments determined by Agent in its sole discretion as necessary or desirable for Agent in the use of the Patents, Marks, Copyrights and Licenses, (ii) take any other actions with respect to the Patents, Marks, Copyrights and Licenses as Agent deems in good faith to be in the best interest of Agent, (iii) grant or issue any exclusive or non-exclusive license under the Patents, Marks or Copyrights to any Person, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Marks, Copyrights or Licenses to any Person. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Secured Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Loan Agreement or any of the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Marks, Copyrights or Licenses may be enforced. Borrower hereby releases the Agent from any and all claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Agent under the powers of attorney granted herein.

16. Binding Effect; Benefits. This Agreement shall be binding upon Borrower and its respective successors and assigns and shall inure to the benefit of Agent and its respective successors, assigns and nominees.

17. Governing Law. This Agreement shall be deemed to have been executed and delivered in Chicago, Illinois, and shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of law provisions) of Illinois.

IN WITNESS WHEREOF, the parties hereto have entered into this Patent, Copyright, License and Trademark Security Agreement as of the date first above written.

WEBCO INDUSTRIES, INC.

By: 
Name: Michael P Howard
Title: CEO

The undersigned accepts and agrees to the foregoing Patent, Copyright, License and Trademark Security Agreement as of October __, 2004 in Chicago, Illinois

BANK ONE, NA, as Agent

By: _____
Name: _____
Title: _____


IN WITNESS WHEREOF, the parties hereto have entered into this Patent, Copyright, License and Trademark Security Agreement as of the date first above written.

WEBCO INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

The undersigned accepts and agrees to the foregoing Patent, Copyright, License and Trademark Security Agreement as of October 15, 2004 in Chicago, Illinois

BANK ONE, NA, as Agent

By: 
Name: James Gerson
Title: James Gerson

STATE OF Illinois)
) SS.
COUNTY OF Cook)

I, the undersigned, a Notary Public in and for said State and County do hereby certify that Michael P. Howard, personally known to me to be the Vice President of Webco Industries, Inc., an Oklahoma corporation, and personally known to me to be the same person whose name is subscribed to the foregoing Patent, Copyright, License and Trademark Security Agreement, appeared before me this day and acknowledged that he/she signed and delivered said agreement as an officer of said corporation and caused the seal of said corporation to be affixed thereto, pursuant to authority given by the board of directors of said corporation, as his/her free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal as of the 15th day of October, 2004.

(NOTARIAL SEAL)

"OFFICIAL SEAL"
MERL DITH A. PARSONS
Notary Public, State of Illinois
My Commission Expires 3-12-2006

Meredith A. Parsons
Notary Public

My Commission Expires: 3/12/2006

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said State and County do hereby certify that James Gurgone, personally known to me to be the Director of Bank One, NA, personally known to me to be the same person whose name is subscribed to the foregoing Patent, Copyright, License and Trademark Security Agreement, appeared before me this day and acknowledged that he/she signed and delivered said agreement as an officer of said bank and caused the seal of said bank to be affixed thereto, pursuant to authority given by the board of directors of said bank, as his/her free and voluntary act and as the free and voluntary act and deed of said bank, for the uses and purposes therein set forth.

GIVEN under my hand and official seal as of the 14th day of October, 2004.

(NOTARIAL SEAL)



Notary Public *Gloria Jones-Tisdale*

My Commission Expires: 7/30/07

SCHEDULE A

PATENTS AND PATENT APPLICATIONS

None

SCHEDULE B

COPYRIGHTS

None

SCHEDULE C

PATENT AND COPYRIGHT LICENSES

None

SCHEDULE D

TRADEMARKS, SERVICE MARKS

Webco	Registration Number: 1,938,055	Registration Date: November 28, 1995
LaserLine	Serial Number: 76/364,580	Filing Date: January 31, 2002

SCHEDULE E

TRADEMARK LICENSES

None