FORM PTO-1594
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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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100791727

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

1. Name of conveying party(ies):
Heartland Steel, Inc.

U.S. Patent & TMOfc/TM Mail Rcpt Dt. #26
07-24-1998

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State
☐ Other:

Additional names of conveying party(ies) attached? ☐ Yes ☒ No

2. Name and address of receiving party(ies):
Name: PNC Bank, National Association
Internal Address:
Street Address: 249 Fifth Avenue
One PNC Plaza, 2nd Floor
City: Pittsburgh State: PA ZIP: 15222
☐ Individual(s) citizenship:
☒ Association: national
☐ General Partnership:
☐ Limited Partnership:
☐ Corporation-State:
☐ 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:
Execution Date: June 17, 1998

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
75/286,253
B. Trademark registration No.(s)
Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom concerning document should be mailed:
Name: Michael L. Dever
Internal Address: Buchanan Ingersoll, P.C.
Street Address: 301 Grant Street
20th Floor
City: Pittsburgh State: PA ZIP: 15219

6. Total number of applications and registrations involved: 1

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

8. Deposit account number:
(Attach duplicate copy of this page if paying by deposit account)

08/06/1998 TWATKINS 00000177 75286253
01 FC:481 40.00 OP

DO NOT USE THIS SPACE

9. Statement and signature.
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.

Michael L. Dever — Name of Person Signing
Signature — Date 7/21/98

Total number of pages comprising cover sheet: 10

TRADEMARK

OMB No. 0651-0011 (exp. 1/94)

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This Patent, Trademark and Copyright Security Agreement (the "Agreement"), dated June 17, 1998, is entered into by and between HEARTLAND STEEL, INC., a Delaware corporation (the "Debtor"), and PNC BANK, NATIONAL ASSOCIATION (the "Secured Party").

WHEREAS, pursuant to that certain Credit Agreement (as amended, restated, modified or supplemented from time to time, the "Credit Agreement") of even date herewith by and between Debtor, as borrower, the Guarantors party thereto, the Banks party thereto and Secured Party, as Documentation Agent as Agent and Administrative Agent for the Banks, and BT Commercial Corporation as Syndication Agent, and an Agent Secured Party, the Banks have agreed to provide certain loans to the Debtor and the Debtor has agreed, among other things, to grant a security interest to the Secured Party for the benefit of the Banks in certain patents, trademarks, copyrights and other property as security for such loans and other obligations as more fully described herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings given to them in the Credit Agreement.

2. To secure the payment and performance of all Obligations and other liabilities of the Debtor now or hereafter existing under the Credit Agreement and the other Loan Documents, including, without limitation, principal, interest, fees, expenses, costs and expenses of enforcement, reasonable attorney's fees and expenses, and obligations under indemnification provisions in the Loan Documents (collectively, the "Secured Obligations"), Debtor hereby grants and conveys a security interest to Secured Party in the entire right, title and interest of Debtor in and to all trade names, patent applications, patents, trademark applications, trademarks and copyrights whether now owned or hereafter acquired by Debtor, including, without limitation, those listed on Schedule A hereto, including all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business to which any of the trade names, patents, trademarks and copyrights relate (collectively, the "Patents, Trademarks and Copyrights").

3. Debtor covenants and warrants that:

(a) the Patents, Trademarks and Copyrights are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) to the best of Debtor's knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable;

(c) except as set forth on Schedule B hereto and except for Permitted Liens, Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Copyrights, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by Debtor not to sue third persons;

(d) Debtor has the corporate power and authority to enter into this Agreement and perform its terms;

(e) no claim has been made to Debtor or, to the knowledge of Debtor, any other person that the use of any of the Patents, Trademarks and Copyrights does or may violate the rights of any third party;

(f) Debtor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Patents, Trademarks and Copyrights; and

(g) Debtor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents, Trademarks and Copyrights.

4. Debtor agrees that, until all of the Secured Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Debtor's obligations under this Agreement, without Secured Party's prior written consent which shall not be unreasonably withheld.

5. If, before the Secured Obligations shall have been satisfied in full, Debtor shall own any new trademarks or any new copyrightable or patentable inventions, or any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation in part of any Patent, Trademark or Copyright or any improvement on any Patent, Trademark or Copyright, the provisions of this Agreement shall automatically apply thereto and Debtor shall give to Secured Party prompt notice thereof in writing. Debtor and Secured Party agree to modify this Agreement by amending Schedule A to include any future patents, patent applications, trademark applications, trademarks, copyrights or copyright applications and the provisions of this Agreement shall apply thereto.

6. Secured Party shall have, in addition to all other rights and remedies given it by this Agreement, those 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, Trademarks and Copyrights may be located and, without limiting the generality of the foregoing, Secured Party may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to Debtor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in Pittsburgh, Pennsylvania, Terra Haute, Indiana, or elsewhere, the whole or from time to time any part of the Patents, Trademarks and Copyrights, or any interest which Debtor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents, Trademarks and Copyrights all expenses (including fees and expenses for brokers and attorneys), shall apply the remainder of such proceeds toward the payment of the Secured Obligations as the Secured Party, in its sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Secured Obligations shall be paid over to Debtor. Notice of any sale or other disposition of the Patents, Trademarks and Copyrights shall be given to Debtor at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents, Trademarks and Copyrights is to be made, which Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Secured Party may, to the extent permissible under applicable Law, purchase the whole or any part of the Patents, Trademarks and Copyrights sold, free from any right of redemption on the part of Debtor, which right is hereby waived and released.

7. If any Event of Default shall have occurred and be continuing, Debtor hereby authorizes and empowers Secured Party to make, constitute and appoint any officer or agent of Secured Party, as Secured Party may select in its exclusive discretion, as Debtor's true and lawful attorney-in-fact, with the power to endorse Debtor's name on all applications, documents, papers and instruments necessary for Secured Party to use the Patents, Trademarks and Copyrights, or to grant or issue, on commercially reasonable terms, any exclusive or nonexclusive license under the Patents, Trademarks and Copyrights to any third person, or necessary for Secured Party to assign, pledge, convey or otherwise transfer title in or dispose, on commercially reasonable terms, of the Patents, Trademarks and Copyrights to any third Person. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement.

8. At such time as Debtor shall have indefeasibly paid in full all of the Secured Obligations and the Commitments shall have terminated, this Agreement shall terminate and Secured Party shall execute and deliver to Debtor all deeds, assignments and other instruments as may be necessary or proper to re-vest in Debtor full title to the Patents, Trademarks and Copyrights, subject to any disposition thereof which may have been made by Secured Party pursuant hereto.

9. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorney's fees and expenses incurred by Secured Party in connection with the preparation of this Agreement and all other documents relating hereto and the consummation

of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances, the protection, maintenance or preservation of the Patents, Trademarks and Copyrights, or the defense or prosecution of any actions or proceedings arising out of or related to the Patents, Trademarks and Copyrights, shall be borne and paid by Debtor within fifteen (15) days of demand by Secured Party, and if not paid within such time, shall be added to the principal amount of the Secured Obligations and shall bear interest at the highest rate prescribed in the Credit Agreement.

10. Debtor shall have the duty, through counsel reasonably acceptable to Secured Party, to prosecute diligently any patent applications of the Patents, Trademarks and Copyrights pending as of the date of this Agreement or thereafter until the Secured Obligations shall have been indefeasibly paid in full and the Commitments shall have terminated, to make application on unpatented but patentable inventions (whenever it is commercially reasonable in the reasonable judgment of Debtor to do so) and to preserve and maintain all rights in patent applications and patents of the Patents, including without limitation the payment of all maintenance fees, in each case, to the extent commercially reasonable in the operation of Debtor's business. Any expenses incurred in connection with such an application shall be borne by Debtor. Debtor shall not abandon any Patent, Trademark or Copyright without the consent of Secured Party, which shall not be unreasonably withheld.

11. Debtor shall have the right, with the consent of Secured Party, which shall not be unreasonably withheld, to bring suit, action or other proceeding in its own name, and to join Secured Party, if necessary, as a party to such suit so long as Secured Party is satisfied that such joinder will not subject it to any risk of liability, to enforce the Patents, Trademarks and Copyrights and any licenses thereunder. Debtor shall promptly, upon demand, reimburse and indemnify Secured Party for all damages, costs and expenses, including reasonable legal fees, incurred by Secured Party as a result of such suit or joinder by Debtor.

12. No course of dealing between Debtor and Secured Party, nor any failure to exercise nor any delay in exercising, on the part of Secured Party, any right, power or privilege hereunder or under the Credit Agreement or other Loan Documents shall operate as a waiver of such right, power or privilege, 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.

13. All of Secured Party's rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Credit Agreement or by any other agreements or by Law, shall be cumulative and may be exercised singularly or concurrently.

14. 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 clause or provision of this Agreement in any jurisdiction.

15. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 5.

16. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

17. This Agreement shall be governed by and construed in accordance with the internal Laws of the State of Indiana without regard to its conflicts of law principles.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE 1 OF 1 TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized, as of the date first above written.

ATTEST:

Title: Exec VP & COO

HEARTLAND STEEL, INC.

By: Harold L Coberly (SEAL)
Title: PRES + CEO

PNC BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: David B Sonl
Title: VICE PRESIDENT

SCHEDULE A
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

LIST OF REGISTERED PATENTS, TRADEMARKS,
TRADE NAMES AND COPYRIGHTS

Debtor filed a trademark application with respect to its name, "Heartland Steel, Inc." on May 5, 1997, serial number 75/286253 in the U.S. Patent and Trademark Office.

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SCHEDULE B
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

LIST OF LIENS, CHARGES AND ENCUMBRANCES
OTHER THAN PERMITTED LIENS

The Debtor has knowledge of two challenges to its name, "Heartland Steel, Inc.", as follows:

1. On August 13, 1997, counsel for an entity known as Heartland Steel, Inc., located in Crown Point and East Chicago, Indiana, requested that the Debtor cease all uses of the name "Heartland Steel", refrain from using terms confusingly similar to such terms and abandon its U.S. trademark application with respect to the name Heartland Steel. The claimant also asserted that it would seek compensation for any damages incurred as a result of the Company's use of the name Heartland Steel. The claimant has obtained an enlargement of time to file any opposition to the Company's U.S. trademark application. The claimant has advised the Debtor that it is willing to settle this matter for $35,000.

2. An entity known as Heartland Building Products, Inc., located in Booneville, Mississippi, contacted the Company's prior counsel, Baker & Hostetler. This claimant represented that it owns a number of trademarks incorporating the word "Heartland," and indicated that it has rights to the trademark Heartland Steel. Heartland Building Products, Inc., has obtained an enlargement of time to file any opposition to the Company's U.S. trademark application.

The Debtor also has knowledge of a potential challenge to the intellectual property rights of Kvaerner Metals, Division of Kvaerner U.S. Inc. ("Kvaerner") with respect to the Two Stand Reversing Mill to be sold to the Debtor pursuant to the Amended and Restated Equipment Supply Contract, dated June 15, 1998 (the "Kvaerner Contract"), between the Debtor and Kvaerner. Kvaerner has advised the Debtor that Kvaerner received a letter dated March 25, 1998, from Tippins Incorporated ("Tippins") stating that Tippins has obtained a United States equipment and process patent for a "Two Stand Cold Reversing Mill, US Patent Number 5,706,690"; that Tippins was offering non exclusive licenses for the use of this patent to both mill builders and operating steel companies; and that, in the event Kvaerner was not interested in obtaining a license, "please refrain from offering to sell, selling, constructing or operating a Two-Stand Cold Reversing Mill covered under our patent." Kvaerner has advised the Debtor that it has had no further communications with Tippins regarding this matter.

Kvaerner has advised the Debtor that the Two Stand Reversing Mill to be sold to the Debtor under the Kvaerner Contract does not infringe the Tippins patent, and that, in any event, Kvaerner disputes the Tippins patent claim. In the Kvaerner Agreement, Kvaerner has agreed that "the representations and warranties given by [Kvaerner] in, and the duties and obligations of [Kvaerner] created by or arising under, Section 16 of this Contract [Intellectual Property (Patent Rights)] specifically apply to the claim of Tippins Incorporated ("Tippins") to a patent for a

Two-Stand Cold Reversing Mill, US Patent Number 5,706,690." In such Section 16, Kvaerner has agreed, among other things, that, in the event of proceedings and/or lawsuits for infringement or misappropriation of any patent, trademark, registered design, trade secrets, copyrights or industrial models (collectively and individually the"Intellectual Property"), involving the Debtor and/or Kvaerner, Kvaerner shall: (a) at the request of the Debtor, act on behalf of Buyer in defense of its right and interests; (b) indemnify the Debtor for the pecuniary or other consequences as may arise from such proceedings; (c) bear the cost of any damage (including amounts paid in settlement thereof which is approved by Kvaerner) which may be due to the holders of the rights to such Intellectual Property; (d) reimburse the Debtor for all costs of defense in connection with such proceedings and/or lawsuit, including, but not limited to, fees and costs of attorneys, experts, technical consultants, and others that the Debtor may reasonably have incurred on account of or in connection with such proceedings; (e) modify or replace any equipment being sold by Kvaerner that is under litigation, at no charge, by other equivalent equipment exempt from infringement; and (f) concur with the measures which the Debtor may be forced to take in the course of operation to keep the facilities furnished in working conditions. Pursuant to Section 16.2 of the Kvaerner Contract, Kvaerner would be responsible for securing from Tippins all necessary licenses and rights to use the Tippins Intellectual Property and paying any royalties in connection therewith.

By entering into the Credit Agreement, the Debtor and the other parties to the Credit Agreement shall be deemed to have acknowledged and agreed that no Material Adverse Change or other Potential Default or Event of Default (as such terms are defined in the Credit Agreement) shall occur or be deemed to have occurred as a result of any claim, action, proceeding or other event involving Tippins that is subject to Section 16 of the Kvaerner Contract unless and until Kvaerner repudiates or otherwise breaches in any material respect its indemnification obligations in Section 16 of the Kvaerner Contract in connection therewith.