RESUBMISSION
NO 8-17-98

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

01-04-1999

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U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

MRD
12/30/98

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- [ ] New
- [x] Resubmission (Non-Recordation) Document ID # 100804585
- [ ] Correction of PTO Error Reel # ____ Frame # ____
- [ ] Corrective Document Reel # ____ Frame # ____

Conveyance Type

- [ ] Assignment
- [ ] License
- [x] Security Agreement
- [ ] Nunc Pro Tunc Assignment
- [ ] Merger
- [ ] Change of Name
- [ ] Other

Effective Date Month Day Year: 8/13/98

Conveying Party

[ ] Mark if additional names of conveying parties attached

Name: TIPPINS INCORPORATED

Execution Date Month Day Year: 8/13/98

Formerly:

- [ ] Individual
- [ ] General Partnership
- [ ] Limited Partnership
- [ ] Corporation
- [ ] Association
- [ ] Other
- [x] Citizenship/State of Incorporation/Organization: PENNSYLVANIA

Receiving Party

[ ] Mark if additional names of receiving parties attached

Name: PNC BANK, NATIONAL ASSOCIATION

DBA/AKA/TA:

Composed of:

Address (line 1): ONE PNC PLAZA

Address (line 2): 249 FIFTH AVENUE

Address (line 3): PITTSBURGH (City) PA/USA (State/Country) 15222 (Zip Code)

- [ ] Individual
- [ ] General Partnership
- [ ] Limited Partnership
- [ ] Corporation
- [ ] Association
- [x] Other: NATIONAL BANKING ASSOCIATION
- [ ] Citizenship/State of Incorporation/Organization:

[ ] If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. *(Designation must be a separate document from Assignment.)*

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name: ARNOLD P. LUTZKER

Address (line 1): LUTZKER & LUTZKER LLP

Address (line 2): 1000 VERMONT AVENUE, N.W.

Address (line 3): SUITE 450

Address (line 4): WASHINGTON, D.C. 20005

Pages

Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

☐ Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
74/217979	75/374185				
74/330587					
74/442884					

Number of Properties

Enter the total number of properties involved. # 4

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): $

Method of Payment: Enclosed ☐ Deposit Account ☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes ☐ No ☐

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. Charges to deposit account are authorized, as indicated herein.

ARNOLD P. LUTZKER, ESQ.		12/3/93
Name of Person Signing	Signature	Date Signed

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

08-27-1998

100804585

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

OIPE JC6 AUG 17 1998 PATENT & TRADEMARK OFFICE

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- [XX] New
- [ ] Resubmission (Non-Recordation) Document ID #
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- [ ] Assignment
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- [XX] Security Agreement
- [ ] Nunc Pro Tunc Assignment
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Effective Date Month Day Year: 8/13/98

Conveying Party

[ ] Mark if additional names of conveying parties attached

Execution Date Month Day Year: 8/13/98

Name: TIPPINS INCORPORATED

Formerly:

[ ] Individual [ ] General Partnership [ ] Limited Partnership [XX] Corporation [ ] Association

[ ] Other

[XX] Citizenship/State of Incorporation/Organization: PENNSYLVANIA

Receiving Party

[ ] Mark if additional names of receiving parties attached

Name: PNC BANK, NATIONAL ASSOCIATION

DBA/AKA/TA:

Composed of:

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Address (line 3): PITTSBURGH (City) PA, USA (State/Country) 15222 (Zip Code)

[ ] Individual [ ] General Partnership [ ] Limited Partnership

[ ] Corporation [ ] Association

[XX] Other: NATIONAL BANKING ASSOCIATION

[ ] Citizenship/State of Incorporation/Organization:

[ ] If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. *(Designation must be a separate document from Assignment.)*

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01 FC:481 40.00 OP
02 FC:482 125.00 OP

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Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number (412) 594-5576

Name STEPHANIE A. PARROCCINI, PARALEGAL

Address (line 1) TUCKER ARENSBERG, P.C.

Address (line 2) 1500 ONE PPG PLACE

Address (line 3) PITTSBURGH, PA 15222

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. # 15

Trademark Application Number(s) or Registration Number(s)

☐ Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
			74217979	74442884	
			74330587	000305623	
			000305508	75374185	

Number of Properties

Enter the total number of properties involved. # 6

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): $ 165.00

Method of Payment: Enclosed [XX] Deposit Account [ ]

Deposit Account
(Enter for payment by deposit account or if additional fees can be charged to the account.)
Deposit Account Number: #

Authorization to charge additional fees: Yes [ ] No [ ]

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. Charges to deposit account are authorized, as indicated herein.

STEPHANIE A. PARROCCINI, PARALEGAL		5/14/98
Name of Person Signing	Signature	Date Signed

SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT (INTELLECTUAL PROPERTY)

THIS SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT (INTELLECTUAL PROPERTY) (this Security Agreement and Collateral Assignment (Intellectual Property), together with all extensions, renewals, amendments, substitutions and replacements hereto and hereof, is hereinafter referred to as this "**Security Agreement**") is dated as of August 13, 1998 and is made and entered into by and between TIPPINS INCORPORATED, a Pennsylvania corporation (the **Debtor**) and PNC BANK, NATIONAL ASSOCIATION, a national banking association (the **Secured Party**). Capitalized terms used herein as defined terms which are not defined herein but which are defined in the Credit Agreement shall have the same meanings herein as are ascribed to them in the Credit Agreement.

WITNESSETH:

WHEREAS, the Debtor and the Secured Party entered into that certain Second Amended and Restated Credit Agreement dated as of March 31, 1998 (hereinafter the "**Original Credit Agreement**"); and

WHEREAS, pursuant to the terms of the Original Credit Agreement, the Secured Party agreed to make available to the Debtor certain credit facilities in an aggregate principal amount not to exceed $15,000,000.00, which Indebtedness is evidence by that certain Second Amended and Restated Revolving Credit Note dated as of March 31, 1998 (the Second Amended and Restated Revolving Credit Note, together with all amendments, extensions, modification and supplements thereto, is hereinafter referred to as the "**Note**"); and

WHEREAS, for the purpose of securing the Indebtedness and Obligations of the Debtor to the Secured Party, the Debtor granted to the Secured Party a lien and security interest in certain property, all as more fully described in that certain Second Amended and Restated Security Agreement dated as of March 31, 1998 entered into by and between the Debtor and the Secured Party; and

WHEREAS, upon the request of the Debtor, the Secured Party has agreed to modify the Original Credit Agreement as well as grant a waiver certain provisions thereof, all as more particularly set forth in that certain First Amendment to Second Amended and Restated Credit Agreement and Waiver dated as of even date herewith (the "**First Amendment**")(the Original Credit Agreement, as amended by the First Amendment and together with all exhibits and schedules thereto and all other amendments, extensions, and thereof, is hereinafter referred to as the "**Credit Agreement**"); and

WHEREAS, in consideration for the Secured Party's willingness to enter into the First Amendment and for the purpose of providing additional collateral security for the Indebtedness and Obligations of the Debtor to the Secured Party, the Debtor has agreed to enter into this Security Agreement.

NOW, THEREFORE, in consideration of the premises (each of which is incorporated herein by reference) and the mutual promises contained herein and other valuable

consideration, the receipt and adequacy of which are hereby acknowledged, and with the intent to be legally bound hereby, the parties hereto agree as follows:

1. **Grant of Security Interests.** In order to secure:

(a) the performance of all of the terms and provisions contained in the Note, including, but not limited to, the payment of the aggregate unpaid principal balance of the Note (including all advances heretofore and hereafter made and evidenced by the Notes and interest thereon to the Secured Party, its successors and assigns, according to the provisions and conditions of the Note and in discharge thereof;

(b) the performance by the Debtor of all of the terms and provisions contained in the Credit Agreement, this Security Agreement and all of the other Loan Documents to which it is a party, as they may be amended, modified or supplemented from time to time, the terms and provisions of all of such documents being specifically incorporated herein by reference as though set forth herein; and

(c) the Debtor's payment of any and all of the Obligations owed by it to the Secured Party, whether now or hereafter existing or incurred and whether direct or indirect as guarantor, by virtue of any assignment, pledge or other transfer or disposition of Indebtedness and other obligations of the Debtor to one or more third parties, or otherwise,

(the foregoing collectively referred to herein as the **"Secured Obligations"**) the Debtor hereby grants, bargains, assigns, mortgages, pledges, sells, creates and grants a security interest in, transfers, and conveys to the Secured Party, and its successors and assigns for and on behalf of the Lenders and the Issuing Bank, as and by way of a first lien and security interest having priority over all other security interests, with power of sale, to the extent permitted by law or by the Licenses referred to herein, all of the Debtor's right, title and interest in and to all of its now existing and hereafter created or acquired:

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Schedule 1 attached hereto and hereby made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof (b) all income, damages and payments now and hereafter due or payable under or 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) of this subsection 1(i), are hereinafter referred to individually as a **"Patent"** and collectively as the **"Patents"**);

(ii) trademarks, trademark registrations, trademark applications, tradenames and tradestyles, service marks, service mark registrations and service mark applications, including, without limitation, the trademarks, tradenames, service marks and applications and registrations thereof listed on Schedule 1 attached hereto and hereby made a part hereof, and (a) all renewals or extensions thereof, (b) all income, damages and payments now and hereafter due 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 trademarks, tradenames and tradestyles, service marks and applications and registrations thereof and therefor, together with the items described in clauses (a) through (d) of this subsection 1(ii), are sometimes hereinafter referred individually as a **"Trademark"** and collectively as the **"Trademarks"**);

(iii) copyrights, copyright registrations and copyright applications, including, without limitation, the copyrights and applications and registrations thereof and therefore listed on Schedule 1 attached hereto and hereby made a part hereof, and (a) all renewals or extensions thereof, (b) all income, damages and payments now and hereafter due 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 and applications and registrations thereof and therefor, together with the items described in clauses (a) through (d) of this subsection 1(iii), are sometimes hereinafter referred individually as a **"Copyright"** and collectively as the **"Copyrights"**);

(iv) all license agreements with respect to any of the Patents, Trademarks or Copyrights, or any other patent, trademark, copyright, service mark or any application or registration thereof or any other tradename or tradestyle between the Debtor and any other party, whether the Debtor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Schedule 1 attached hereto and hereby made a part hereof (all of the foregoing license agreements and the Debtor' rights thereunder are referred to collectively as the **"Licenses"**); and

(v) all other drawings, blueprints, designs, know-how, show-how, inventions and other intellectual property related to machinery or equipment used to make, heat, treat or process metal, including without limitation steel, brass and aluminum;

(vi) the goodwill of the Debtor's business connected with and symbolized by the Trademarks.

All of the Patents, Trademarks, Copyrights and Licenses described in items (i) through (v) above are hereinafter referred to collectively as the **"Intellectual Property"**.

2. Representations and Warranties. The Debtor warrants and represents to the Secured Party that:

(a) Except for Intellectual Property no longer used by the Debtor in its business (A) no Intellectual Property has been adjudged invalid or unenforceable or have been cancelled, in whole or in part, and (B) all Intellectual Property is presently subsisting;

(b) To the best of the Debtor's knowledge, all of the Intellectual Property is valid and enforceable;

(c) Except as described in the Licenses and Patents, the Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to all of

the Intellectual Property, free and clear of any Encumbrances, including without limitation licenses, shop rights and covenants by the Debtor not to sue third persons;

(d) Except for Intellectual Property no longer used by the Debtor in its business, the Debtor has adopted, used and is currently using all of the Intellectual Property;

(e) The Debtor has no notice of any suits or actions commenced or threatened with reference to any of the Intellectual Property;

(f) The execution and delivery of this Security Agreement by the Debtor, and the performance by the Debtor of its obligations hereunder, will not conflict with the terms of, or cause a default under, any License, any contract or agreement to which the Debtor is a party or by which it is bound, or any Governmental Rule to which the Debtor, its business or properties, is subject;

(g) All of the Intellectual Property owned, used or licensed by the Debtor and its Subsidiaries is owned, used or licensed by the Debtor and not by any Subsidiary of the Debtor; and

(h) The execution, delivery and performance by Debtor of this Security Agreement has been authorized by all necessary action of the Debtor.

3. **Restrictions on Future Agreements.** The Debtor agrees that until the Obligations shall have been satisfied in full and the Revolving Credit Commitment shall have been terminated, the Debtor shall not sell or assign its interest in, or grant any additional Licenses under, any of the Intellectual Property or enter into any other agreement with respect to any of the Intellectual Property which is inconsistent with the Debtor's obligations under this Security Agreement, without the prior written consent of the Secured Party, and the Debtor further agrees that it shall not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to the Secured Party under this Security Agreement.

4. **New Patents, Trademarks and Licenses.** The Debtor represents and warrants that the Intellectual Property listed on Schedule 1 constitutes all of the Patents and Trademarks now owned by the Debtor. If before the Obligations shall have been satisfied in full or before the Credit Agreement has been terminated, the Debtor shall (i) become aware of any existing Intellectual Property of which the Debtor has not previously informed the Secured Party, (ii) obtain rights to any new patentable inventions or other Intellectual Property, or (iii) become entitled to the benefit of any Intellectual Property or any improvement on any Patent, the provisions of this Security Agreement shall automatically apply thereto and the Debtor shall give to the Secured Party prompt written notice thereof. The Debtor hereby authorizes the Secured Party to modify this Security Agreement from time to time by amending Schedule 1 to include any such new or after acquired Intellectual Property.

5. **Royalties; Terms.** The term of the collateral assignment and security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective items of Intellectual Property assigned hereunder and (ii) the Obligations have been indefeasibly paid in full and the Revolving Credit Commitment has been terminated. Upon the occurrence of an Event of Default, the Debtor agrees that the use by the Secured Party of all Intellectual Property

shall be worldwide and without any liability for royalties or other related charges from the Secured Party to the Debtor.

6. **Events of Default.** From and after the occurrence of and during the continuance of an Event of Default, the Secured Party shall have, in addition to all other rights and remedies given it by this Security Agreement and the other Loan Documents, those rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any of the jurisdictions in which the Intellectual Property may be located or governed.

7. **Secured Party's Right to Inspect.** Upon five (5) days' notice to the Debtor, the Secured Party shall have the right, at any time and from time to time during normal business hours and prior to the Obligations being indefeasibly paid in full and the termination of the Revolving Credit Commitment, to inspect the Debtor's premises and to examine the Debtor's books, records and operations, including, without limitation, the quality control processes of the Debtor or any Subsidiary of the Debtor. The Debtor agrees (i) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof and (ii) to provide the Secured Party, upon the Secured Party's request from time to time, with a certificate of an Authorized Officer certifying the Debtor's and any Subsidiary's compliance with the foregoing. Upon the occurrence of and during the continuance of an Event of Default, the Debtor agrees that the Secured Party, or a conservator appointed by the Secured Party, shall have the right to establish such additional product quality controls as the Secured Party, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by the Debtor or any Subsidiary of the Debtor under the Trademarks.

8. **Release of Security Agreement.** This Security Agreement is made for collateral purposes only. Upon the Obligations being indefeasibly paid In full and the termination of the Revolving Credit Commitment, the Secured Party shall execute and deliver to the Debtor all deeds, assignments and other instruments, and shall take such other actions, as may be necessary or proper to re-vest in the Debtor full title to the Intellectual Property, subject to any disposition thereof which may have been made by the Secured Party pursuant hereto and pursuant to the Credit Agreement or the other Loan Documents.

9. **Expenses.** All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by the Debtor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and expenses, incurred by the Secured Party in connection with 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 or otherwise in protecting, maintaining or preserving the Intellectual Property or in defending or prosecuting any actions or proceedings arising out of or related to the Intellectual Property, shall be borne by and paid by the Debtor on demand by the Secured Party and until so paid shall bear interest at the highest applicable rate provided in the Credit Agreement, shall become part of the Obligations secured hereby and, if not paid upon demand, shall bear interest at the Default Rate until paid.

10. **Duties of Debtor.** The Debtor shall have the duty (i) to prosecute in a commercially reasonable manner any patent, trademark, copyright or service mark applications pending as of the date hereof or thereafter until the Obligations shall have been indefeasibly paid in full and the Revolving Credit Commitment terminated, (ii) to make application on unpatented but

patentable inventions and on trademarks, copyrights and service marks, as appropriate, and to the extent commercially reasonable, (iii) to preserve and maintain all rights in the Intellectual Property except where not commercially reasonable, and (iv) to ensure that the Intellectual Property is and remains enforceable. Any expenses incurred in connection with the Debtor's obligations under this Section 10 shall be borne by the Debtor or, to the extent they may be satisfied by the Secured Party, shall become part of the Obligations secured hereby. Except where otherwise not commercially reasonable, the Debtor shall not abandon any right to file a patent, trademark, copyright or service mark application, or abandon any pending patent application, or any other Intellectual Property without the consent of the Secured Party.

11. **Secured Party's Right to Sue.** After the occurrence of and during the continuance of an Event of Default, the Secured Party shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Intellectual Property and, if the Secured Party shall commence any such suit, the Debtor shall, at the request of the Secured Party, do any and all lawful acts and execute any and all proper documents required by the Secured Party in aid of such enforcement and the Debtor shall promptly, upon demand, reimburse and indemnify the Secured Party for all reasonable costs and expenses incurred by the Secured Party in the exercise of its rights under this Section 11, which shall become part of the Obligations secured hereby.

12. **Power of Attorney; Effect on Loan Documents.** The Debtor hereby makes, constitutes and appoints the Secured Party and any of its officers, directors, employees and authorized agents as the Secured Party may select, in its sole discretion, the true and lawful agent and attorney-in-fact of the Debtor, with full power of substitution, to (i) endorse Debtor's name on all applications, documents, papers and instruments necessary or desirable for the Secured Party in the use of the Intellectual Property, or (ii) take any other actions with respect to the Intellectual Property as the Secured Party deems to be in the best interest of the Secured Party, or (iii) grant or issue any exclusive or non-exclusive license under the Intellectual Property to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Intellectual Property to anyone. The Secured Party hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney granted under this Section 12 shall be irrevocable until the Obligations shall have been indefeasibly paid in full and the Revolving Credit Commitment has been terminated, and shall be deemed to be coupled with an interest. The Debtor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of the Securec Party under the Loan Documents but rather is intended to facilitate the exercise of such rights and remedies. The Secured Party shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the other Loan Documents, all rights and remedies allowed by law and all rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Intellectual Property may be located.

13. **Defeasance.** Upon the full discharge and satisfaction of the Obligations and the termination of the Revolving Credit Commitment, all rights herein assigned to the Secured Party shall terminate, and all estate, right, title and interest of the Secured Party in and to each and every one of the items of Intellectual Property shall revert to the Debtor. The Secured Party shall file all requisite termination statements and do all such other acts as are reasonably required of it to evidence the termination of the security interest granted hereby.

14. **Further Assurances.** The Debtor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as the Secured

Party shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and the agreements set forth herein.

15. **Secured Party's Ability to Deal With Security**. The Secured Party may have or in the future may hold other security and/or guaranties to secure all or any part of the Obligations but it is specifically understood and agreed by the Secured Party that neither the execution and delivery of this Security Agreement nor the holding of any other security and/or guaranty shall at any time or in any respect operate to prevent or hinder the Secured Party from resorting first to such other security and/or guaranty or first to any of the Intellectual Property or first from time to time to both. In addition, the Secured Party may from time to time as it sees fit, in its sole and uncontrolled discretion, resort to all or any part of the Intellectual Property, without resorting to all or any other security and/or guaranty securing the Obligations, or to all or any part of any other security and/or guaranty securing the Obligations without resorting to all or any part of the Intellectual Property, and such action on the Secured Party's part shall not in any respect be considered as a waiver of any of the benefits or rights of the Secured Party relating to the Intellectual Property or such other security and/or guaranties.

16. **Amendments and Waivers**. The Secured Party and the Debtor may from time to time enter into amendments, extensions, supplements and replacements to and of this Security Agreement, and the Secured Party may from time to time waive compliance with a provision hereof. No amendment, extension, supplement, replacement or waiver shall be effective unless it is in writing and is signed by the Secured Party and the Debtor. All waivers shall be effective only for the specific instance and for the specific purpose for which they may be given.

17. **Exercise of Remedies; Remedies Cumulative.** No delay on the part of the Secured Party or failure of the Secured Party to exercise any power, right or remedy under this Security Agreement and any other Loan Document shall operate as a waiver hereof, nor shall any single or partial exercise of any power, right or remedy or any abandonment or discontinuance of steps to enforce such right, power or remedy preclude other or further exercises thereof, or the exercise of any other power, right or remedy. The rights and remedies in this Security Agreement are cumulative and not exclusive of any rights or remedies (including, without limitation, the right of specific performance) which the Secured Party would otherwise have.

18. **Taxes**. The Debtor shall pay any and all stamp, document, transfer or recording taxes, filing fees and similar impositions payable or hereafter determined by the Secured Party to be payable in connection with this Security Agreement and any other documents, instruments and transactions pursuant to or in connection with any of the Loan Documents. The Debtor agrees to save the Secured Party harmless from and against any and all present and future claims or liabilities with respect to, or resulting from, any delay in paying or failure to pay any such taxes or similar impositions. The joint and several obligations of the Debtor pursuant to this Section 18 shall survive the termination of this Security Agreement and the repayment of the Obligations.

19. **Expenses.** The Debtor shall pay to the Secured Party on demand all reasonable expenses incurred by the Secured Party from time to time, including but not limited to reasonable attorneys' fees and expenses, incurred in protecting the Intellectual Property and the Secured Party's rights therein and in enforcing the rights and remedies of the Secured Party hereunder, together with interest thereon calculated at the Default Rate if any such amount is not paid upon demand. The obligations of the Debtor pursuant to this Section 19 shall survive

the termination of this Security Agreement and the repayment of the Obligations, and shall be part of the Obligations secured hereby.

20. **Notices.** All notices required to be delivered pursuant to this Security Agreement shall be in writing and shall be delivered in accordance with, and to the addresses set forth in, and shall become effective in accordance with, Section 9.4 of the Credit Agreement.

21. **Successors and Assigns.** This Security Agreement shall be binding upon the Debtor and the Secured Party and their respective successors and assigns, and shall inure to the benefit of the Secured Party and its successors and assigns; provided, however, that the Debtor shall not assign its rights or duties hereunder or under any of the other Loan Documents without the prior written consent of the Secured Party.

22. **Severability.** Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

23. **Survival.** All representations, warranties, covenants and agreements of the Debtor contained herein or in the other Loan Documents or made in writing in connection herewith shall survive the issuance of the Note and shall continue in full force and effect so long as the Debtor may borrow under the Credit Agreement and so long thereafter until the Note and the Obligations are indefeasibly paid in full.

24. **GOVERNING LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICT OF LAWS, EXCEPTING APPLICABLE FEDERAL LAW AND EXCEPT ONLY TO THE EXTENT PRECLUDED BY THE MANDATORY APPLICATION OF THE LAW OF ANOTHER JURISDICTION.**

25. **FORUM. THE PARTIES HERETO AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT MAY BE COMMENCED IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA OR IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA AND THE PARTIES HERETO AGREE THAT A SUMMONS AND COMPLAINT COMMENCING AN ACTION OR PROCEEDING IN EITHER OF SUCH COURTS SHALL BE PROPERLY SERVED AND SHALL CONFER PERSONAL JURISDICTION IF SERVED PERSONALLY OR BY CERTIFIED MAIL TO THE PARTIES AT THEIR ADDRESSES DESCRIBED IN SECTION 20, OR AS OTHERWISE PROVIDED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA. FURTHER, THE DEBTOR HEREBY SPECIFICALLY CONSENTS TO THE PERSONAL JURISDICTION OF THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA AND THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA AND WAIVES AND HEREBY ACKNOWLEDGES THAT IT IS ESTOPPED FROM RAISING ANY OBJECTION BASED ON FORUM NON CONVENIENS, ANY CLAIM THAT EITHER SUCH COURT LACKS PROPER VENUE OR ANY CLAIM THAT EITHER SUCH COURT LACKS PERSONAL JURISDICTION OVER THE DEBTOR SO AS TO PROHIBIT EITHER SUCH COURT FROM ADJUDICATING ANY ISSUES RAISED IN A COMPLAINT FILED WITH EITHER SUCH COURT AGAINST THE DEBTOR BY THE SECURED PARTY CONCERNING**

THIS SECURITY AGREEMENT OR PAYMENT TO THE SECURED PARTY. THE DEBTOR HEREBY ACKNOWLEDGES AND AGREES THAT THE CHOICE OF FORUM CONTAINED IN THIS SECTION 25 SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT OF ANY JUDGMENT OBTAINED IN SUCH FORUM OR THE TAKING OF ANY ACTION UNDER THE LOAN DOCUMENTS TO ENFORCE THE SAME IN ANY APPROPRIATE JURISDICTION.

26. **Construction.** In this Security Agreement (except as otherwise expressly provided or unless the context otherwise requires), (i) the singular shall include the plural, and vice-versa, (ii) the masculine and feminine genders shall include the neuter gender, and vice-versa, (iii) the words "hereof", "herein" and "hereunder" and words of similar import shall refer to this Security Agreement as a whole and not to any particular provision of this Security Agreement and (iv) all references to particular Sections, items, clauses, exhibits and schedules are references to the Sections, items, clauses, exhibits and schedules of and to this Security Agreement.

27. **Integration.** This Security Agreement is the entire agreement between the parties relating to this security transaction and it supersedes all prior understandings and agreements, whether written or oral, between the parties hereto relating to the transactions provided for herein.

28. **Headings.** Section headings used in this Security Agreement are intended for convenience only and shall not affect the meaning or construction of this Security Agreement.

29. **Counterparts.** This Security Agreement and any amendment hereto 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 but one and the same instrument. In proving this Security Agreement or any amendment hereto, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

30. WAIVER OF JURY TRIAL. THE DEBTOR AND THE SECURED PARTY EACH HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY COURT AND IN ANY ACTION OR PROCEEDING OF ANY TYPE IN WHICH THE DEBTOR, THE SECURED PARTY OR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS IS A PARTY, AS TO ALL MATTERS AND THINGS ARISING OUT OF THIS SECURITY AGREEMENT.

IN WITNESS WHEREOF, the parties hereto, with the intent to be legally bound hereby, have caused this Security Agreement and Collateral Assignment(Intellectual Property) to be duly executed by their respective duly authorized officers or partners as of the date first written above.

ATTEST/WITNESS:

NAME: ERNEST A. CARPENTER
TITLE: V.P. AND SECRETARY

TIPPINS INCORPORATED, A PENNSYLVANIA CORPORATION

BY: _____ (SEAL)
NAME: JOHN E. THOMAS
TITLE: PRESIDENT AND C.E.O.

PNC BANK, NATIONAL ASSOCIATION

BY: _____ (SEAL)
NAME: DAVID A. GOOKIN
TITLE: VICE PRESIDENT

BF 90222.2:8/12/1998:000011-017202:ejk

ACKNOWLEDGEMENTS

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On this, the 13th day of AUGUST, 1998, before me, a Notary Public, personally appeared JOHN E. THOMAS, who acknowledged himself to be the PRESIDENT AND CEO of Tippins Incorporated, a Pennsylvania corporation, and that he in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of such corporation by himself as such OFFICER.

IN WITNESS WHEREOF, I hereunto set my hand and official seal the day and year first above written.

NOTARY PUBLIC

MY COMMISSION EXPIRES:

Notarial Seal
Stephanie A. [illegible] Notary Public
Pittsburgh, Allegheny County
My Commission Expires Sept. [illegible] 1999
Member, Pennsylvania Association of Notaries

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On this the 13th day of AUGUST, 1998, before me, a Notary Public, personally appeared DAVID B. BOOKIN, who acknowledged himself to be a VICE PRESIDENT of PNC BANK, NATIONAL ASSOCIATION, and that he as such OFFICER, being authorized to do so, executed the foregoing Security Agreement and Collateral Assignment (Intellectual Property) for the purposes therein contained by signing the name of PNC Bank, National Association by himself as such OFFICER.

IN WITNESS WHEREOF, I hereunto set my hand and official seal the day and year first above written.

NOTARY PUBLIC

MY COMMISSION EXPIRES:

Notarial Seal
Stephanie A. [illegible] Notary Public
Pittsburgh, Allegheny County
My Commission Expires Sept. [illegible] 199[illegible]
Member, Pennsylvania Association of Notaries

BF 90222.2:8/12/1998:000011-017202:ejk

Schedule 1

PATENTS and Patent Applications			
U.S. Patent No.*	**Title**	**Issue Date**	**Inventors**
4,308,739	Method for Modernizing a Hot Strip Mill	1/5/82	G.W. Tippins
4,348,882	Hot Rolling Strip C-I-P of U.S. Serial No. 115,611	9/14/82	G.W. Tippins
4,430,874	Vertical Coiler Furnace and Method of Rolling	2/14/84	G.W. Tippins et al
4,384,468	Method and Apparatus for Coiling Strip on a Hot Mill	5/29/83	V.G. Ginzburg
4,430,876	Continuous Tandem Hot Strip Mill and Method of Rolling	2/14/84	V.G. Ginzburg
4,433,566	Close Coupled Reversing Rougher and Finishing Train and Method of Rolling	2/28/84	G.W. Tippins, et al
4,455,848	Method and Apparatus for Underwinding Strip on a Drum in a Hot Reversing Mill	6/26/84	G.W. Tippins, et al
4,485,651	Method and Apparatus for Underwinding Strip on a Drum	12/4/84	G.W. Tippins et al
4,491,006	Method and Apparatus for Coiling Strip between the Roughing Train and the Finishing Train	1/1/85	V.B. Ginzburg & J.E. Thomas
4,503,697	Method for Hot Rolling Slabs – Close Coupled Reversing Mill and Multiple Stand Finishing Mill Train Method and Apparatus	3/12/85	G.W. Tippins & V.B. Ginzburg
4,505,141	Apparatus for Thermomechanically Rolling Hot Strip Product to a Controlled Microstructure	3/19/85	J.E. Thomas R.D. Gretz G.W. Tippins
4,513,594	Method and Apparatus for Combining Automatic Gauge Control and Strip Profile Control	4/30/85	V.B. Ginzburg S.R. Snitkin
4,522,050	Three Stand Mini Mill Method and Apparatus	6/11/85	J.E. Thomas
4,537,643	Method for Thermomechanically Rolling Hot Strip Product to a Controlled Microstructure (Div. Of USSN 397,789)	8/27/85	J.E. Thomas R.D. Gretz G.W. Tippins

* Additionally all corresponding Foreign Patents associated with the U.S. Patents listed

TRADEMARK
REEL: 1836 FRAME: 0281

US Patent No.*	Title	Issue Date	Inventors
4,583,387	Apparatus for Thermomechanically Rolling Hot Strip Product to a Controlled Microstructure (Div. Of USSN 397,789)	4/22/86	J.E. Thomas R.D. Gretz G.W. Tippins
4,630,352	Continuous Rolling Method and Apparatus	12/23/86	V.B. Ginzburg G.W. Tippins
4,658,363	Method of Increasing the Productivity of Reversing Plate Mills	4/14/87	G.W. Tippins L.P. Dunn W.G. Pottmeyer
4,675,974	Method of Continuous Casting and Rolling Strip	6/30/87	R.S. Connolly
4,782,683	Hot Strip Mill Shape Processor and Method	11/8/88	G.W. Tippins J.E. Thomas R.D. Gretz
5,140,837	Process for Rolling Soft Metals	8/25/92	J.E. Thomas
5,269,166	Hot Strip Mill	12/14/93	J.E. Thomas
5,276,952	Method and Apparatus for Intermediate Thickness Slab Caster & In-Line Hot Strip & Plate Line (TSP I)	1/11/94	G.W. Tippins J.E. Thomas
PCT Application US 93/04210	Method and apparatus for Intermediate Thickness Slab Caster & In-Line Hot Strip & Plate Line (TSP I)		
5,414,923	Method and Apparatus for Intermediate Thickness Slab Caster & In-Line Hot Strip & Plate Line (CIP of TSP I)	5/16/95	G.W. Tippins J.E. Thomas
5,467,519	Method and Apparatus for Intermediate Thickness Slab Caster & In-Line Hot Strip & Plate Line (Twin Casting) One or two stands with broader size – No specific inches (intermediate)	11/21/95	G.W. Tippins J.E. Thomas
5,706,690	Twin Stand Cold Reversing Mill	1/13/98	R.S. Connolly
5,710,411	Induction Heating in a Hot Reversing Mill for Isothermally Rolling Strip Product	1/20/98	G.W. Tippins J.E. Thomas N.V. Ross
5,285,670	Pinch Roll and Shear Combination	2/15/94	J.E. Thomas
5,579,569	Slab Container / with or without Slab Container – with (and without) intermediate TSP	12/3/96	G.W. Tippins J.E. Thomas
5,544,408	Intermediate Thickness Slab Caster and In-Line Hot Strip and Plate Line with Slab Sequencing (Moveable Tables) / Tables direct slabs to mill or yard – Slabs on tables direct to either mill or slab yard; Slab yard caster to mill	8/13/96	G.W. Tippins J.E. Thomas

TRADEMARK
REEL: 1836 FRAME: 0282

U.S. Patent No.*	Title	Issue Date	Inventors
5,511,303	Intermediate Thickness and Multiple Furnace Process Line (TSP II) Furnace Configurations – Multiple furnaces; Use from caster or slab yard or bypass furnaces	4/30/96	G.W. Tippins J.E. Thomas
5,533,248	In-Line Hot Grinder / with or without inline grinding – Inline surface conditioning of slabs	7/9/96	G.W. Tippins J.E. Thomas W.H. Tippins R.D. Gretz
5,647,236	Method of Rolling Light Gauge Hot Mill Band on a Hot Reversing Mill / Making light gauges – Stop on penultimate pass	7/15/97	G.W. Tippins
5,755,128	Method and Apparatus for Isothermally Rolling Strip Product	5/26/98	G.W. Tippins J.E. Thomas
PCT Application US 96/13934	Method and Apparatus for Isothermally Rolling Strip Product		
5,661,884	Offset High Pressure Water Descaling System	9/2/97	J.E. Thomas
PCT Application US 97/02687	Offset High Pressure Water Descaling System		
PCT Application US 97/03791	Pusher Furnace Droupout Conveyor		
5,645,418	Pusher Furnace Dropout Conveyor	7/8/97	J.E. Thomas
Ser. No. 08/639,724	Pinch Roll Shape Metering Apparatus	Pending	N.M. Kaplan
PCT Application US 96/15476	Hot Strip Reversing Mill with a Shapemetering Apparatus (PCT Appl. Corro. To U.S. SN 08/639,724)		N.M. Kaplan
5,666,845	Rolling Mill (Dual Housing)	9/16/97	J.E. Thomas
PCT Application US 97/01030	Rolling Mill (Dual Housing)		J.E. Thomas
5,752,403	Method of Rolling Hot Mill Band on a Twin Stand Reversing Mill (CIP of File No. 941218) / Making light gauges – Stop on Penultimate pass	5/19/98	G.W. Tippins J.E. Thomas
5,727,412	Method and Apparatus for Rolling Strip or Plate	3/17/98	G.W. Tippins W.H. Tippins R.D. Gretz
PCT Application US98/00734	Method and Apparatus for Rolling Strip or Plate		G.W. Tippins et al
5,752,404	Roll Shifting System for Rolling Mills	5/19/98	J.C. White B. Ainsworth
PCT US97/23519	PCT Application		
PCT US98/00734	PCT Application		
Ser. No. 08/758,785	Integral Coiler Furnace Drive	Pending	J.E. Vidt

Ser. No. 08/892,418	Strip Mill with Moveable Coiling Furnace	Pending	J.C. White
Ser. No. 60/075,094	Method and Apparatus for Cooling Steel Strip	Pending	A. Groch

TRADEMARKS

Serial No.	Title
74,217,979	Package
74/330,587	"CoilPlate and Design"
000305508	"CoilPlate and Design"
74/442,884	"TSP"
000305623	"TSP"
75/374,185	"Mill Design"

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NA

LICENSES

Date	Title
8/4/95	License Agreement between Tippins Incorporated and IPSCO, Inc.