

**SECURITIES PURCHASE AGREEMENT**

SECURITIES PURCHASE AGREEMENT, dated as of November 1, 2007 (as amended, supplemented, extended, renewed, restated or replaced from time to time, this “Agreement”), between (a) Ormet Corporation, a Delaware corporation (“Parent”), Ormet Primary Aluminum Corporation, a Delaware corporation (“OPAC”), Ormet Aluminum Mill Products Corporation, a Delaware corporation (“Ormet Mill”, and together with Parent and OPAC, each individually an “Issuer” and collectively, the “Issuers”), Specialty Blanks Holding Corporation, a Delaware corporation (“Specialty Holding”), Ormet Railroad Corporation, a Delaware corporation (“Ormet Railroad”), Specialty Blanks, Inc., an Indiana corporation (“Specialty”, and together with Specialty Holding and Ormet Railroad, each individually a “Guarantor” and collectively, the “Guarantors”), and (b) each of the Persons (as defined in Section 21 hereof) named on Exhibit A hereto (together with any other holders from time to time of any Securities (as defined in Section 21 hereof), each individually a “Purchaser” and collectively, the “Purchasers”). Capitalized terms used in this Agreement are defined (or provided a cross-reference) in Section 21 hereof.

WHEREAS, the Issuers have requested that the Purchasers purchase (a) \$35,000,000 principal amount of their Senior Subordinated Secured Notes due 2010 (as further defined in Section 21, the “Notes”) and (b) warrants (as further defined in Section 21, the “Warrants”) evidencing the right to subscribe for and purchase from Parent an aggregate of 2,333,333 shares of Common Stock; and

WHEREAS, the Purchasers are willing to purchase the Securities on the terms, subject to the conditions and in reliance on the representations and warranties set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Issuers and the Guarantors agree with each Purchaser, and each Purchaser severally agrees with the Issuers and the Guarantors, as follows:

SECTION 1. Acknowledgment. Anything contained herein or in any of the other Purchaser Documents to the contrary notwithstanding, (a) all amounts at any time owing by the Issuers or the Guarantors to any Purchaser hereunder and under the other Purchaser Documents are subordinated in right of payment to the prior “payment in full” (as defined in the Loan Agreement) of all Loan Agreement Obligations and Reimbursement Agreement Obligations to the extent provided by and in accordance with the terms and conditions of the Loan Agreement or, if the Replacement Intercreditor Agreement is entered into by the parties thereto, the Replacement Intercreditor Agreement; and (b) any Encumbrances on any of the assets or properties of the Issuers or the Guarantors in favor of, or for the benefit of, any Purchaser or Purchaser Agent securing obligations, liabilities and indebtedness under the Purchaser Documents owing to any Purchaser are junior to any Encumbrances on any of the assets or properties of the Issuers or the Guarantors in favor of, or for the benefit of, the Loan Agreement Agent securing all Loan Agreement Obligations outstanding under the Financing Agreements and all Reimbursement Agreement Obligations under the Supplemental Loan LC Documents to the extent provided by and in accordance with the terms and conditions of the Loan Agreement

or, if the Replacement Intercreditor Agreement is entered into by the parties thereto, the Replacement Intercreditor Agreement. All amounts at any time owing by the Issuers or the Guarantors to any Purchaser hereunder and under the other Purchaser Documents (other than the Equity Documents), and any Encumbrances on any of the assets or properties of the Issuers or the Guarantors in favor of, or for the benefit of, any Purchaser or any Purchaser Agent securing obligations, liabilities and indebtedness hereunder and under the other Purchaser Documents (other than the Equity Documents), shall be subordinated to (A) all Senior Obligations and (B) any Encumbrances on any of the assets or properties of the Issuers or the Guarantors in favor of, or for the benefit of, any holder of Senior Obligations that secures Senior Obligations, in each case, only on the terms set forth in Section 22 hereof (it being understood that the Senior Obligations shall not be entitled to, nor have the benefit of, any of the subordination or intercreditor terms or provisions set forth in the Loan Agreement, the Supplemental Loan LC Documents or the Replacement Intercreditor Agreement).

## SECTION 2. Purchase and Sale of the Securities.

(a) Notes. The Issuers agree to sell to each Purchaser, and each Purchaser severally agrees to purchase from the Issuers, on the Closing Date, Notes in the principal amount set forth opposite such Purchaser's name on Exhibit A hereto. Each Note shall (i) be substantially in the form of Exhibit B hereto with the blanks appropriately completed in conformity herewith, (ii) bear interest as provided in Sections 2(d), 2(f) and 2(g) hereof and (iii) mature on the Maturity Date (or another date upon acceleration of the Maturity Date pursuant to the terms of this Agreement).

(b) Warrants. Parent agrees to sell to each Purchaser, and each Purchaser severally agrees to purchase from Parent, on the Closing Date, Warrants to purchase the number of shares of Common Stock (subject to adjustment as set forth in the Warrant) set forth opposite such Purchaser's name on Exhibit A hereto. The Warrants shall be substantially in the form of Exhibit C hereto, with the blanks appropriately completed in conformity herewith.

(c) Purchase Price. The aggregate purchase price to be paid by each Purchaser for the Securities to be purchased by such Purchaser hereunder shall be the purchase price set forth opposite such Purchaser's name on Exhibit A hereto. No Purchaser shall have any obligation or liability in respect of the Securities allocated to any other Purchaser.

(d) Interest. The unpaid principal amount of the Notes shall bear interest from the Closing Date until maturity (whether by acceleration or otherwise) at the rates set forth in this Section 2(d) and Sections 2(f) and 2(g) hereof. Interest shall accrue from and including the Closing Date to but excluding the date of repayment thereof and shall be paid, in the manner set forth in the immediately succeeding sentence, on each Quarterly Payment Date. Interest on the unpaid principal amount of the Notes (including any amounts added to the principal amount of the Notes pursuant to clause (ii)(y) below) shall accrue for any quarterly period (including any partial quarterly period), at the election of the Issuers made in accordance with the immediately succeeding sentence, (i) at a rate equal to ten percent (10%) per annum (the "Cash Option Rate"), all of which shall be paid in cash or (ii) at a rate equal to fifteen percent (15%) per annum (the "PIK Option Rate"), of which (x) three percent (3%) shall be paid in cash and (y) twelve percent (12%) shall be paid by increasing the then aggregate principal amount of the Notes by an amount

equal to the amount of such interest; provided, that the Issuers shall, at any time requested by any Purchaser, deliver a Note to such Purchaser as evidence of the aggregate amount of any and all interest owed to such Purchaser which has been paid in the manner set forth in clause (ii)(y) above. The Issuers shall irrevocably elect, by written notice to the Purchasers or any Purchaser Agent, no less than ten (10) Business Days prior to any Quarterly Payment Date, whether the Notes will accrue interest at the PIK Option Rate or the Cash Option Rate for the applicable quarterly period (or partial quarterly period); provided, that all Notes shall accrue interest at the same rate. If the Issuers fail to timely elect an applicable rate of interest for any quarterly period (including any partial quarterly period), the Issuers shall be deemed to have elected the PIK Option Rate for such quarterly period (or partial quarterly period) and interest shall be paid in the manner set forth above for the PIK Option Rate. Notwithstanding the foregoing, (A) all accrued and unpaid interest on the Notes shall be paid in full in cash on the Maturity Date (or any other date upon acceleration of the Maturity Date pursuant to the terms of this Agreement) and (B) all accrued and unpaid interest on any portion of the Notes being prepaid pursuant to Section 3(c) shall be paid in full in cash on the date of prepayment.

(e) Calculation of Interest. If any payment on a Purchaser Obligation becomes due and payable on a day other than a Business Day, the payment thereof will be extended to the next succeeding Business Day and, with respect to payments of principal on the Notes, interest thereon shall be payable at the then applicable rate during such extension. Interest in respect of the Notes shall be calculated on the basis of a 360-day year for the number of days elapsed.

(f) Default Rate. So long as an Event of Default has occurred and is continuing and without notice of any kind, all Purchaser Obligations, including, to the extent permitted by law, overdue interest in respect of the Notes, shall automatically bear interest at a rate that is two percentage points (2%) per annum above the rate of interest (the “Default Rate”) that has been elected by the Issuers as of the time of the occurrence of such Event of Default or, if no such rate of interest has been so elected at the time of the occurrence of such Event of Default, the rate of interest applicable for the quarterly period ended immediately prior to the occurrence of such Event of Default, and such interest shall be paid in the manner applicable to such rate of interest as set forth in Section 2(d). Interest at the Default Rate shall accrue from the initial date of such Event of Default until that Event of Default is waived by the Purchasers in accordance with Section 10 or cured by the Issuers, and shall be payable upon demand, but in any event shall be payable on the next Quarterly Payment Date (with the amount of such interest that has accrued at the Default Rate to be paid in the manner applicable to such rate of interest as set forth in Section 2(d)).

(g) Maximum Lawful Rate. Notwithstanding anything to the contrary set forth in this Section 2, if a court of competent jurisdiction determines in a final order that the rate of interest payable under the Notes or in respect of any of the other Purchaser Obligations exceeds the highest rate of interest permissible under law (the “Maximum Lawful Rate”), then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable hereunder shall be equal to the Maximum Lawful Rate; provided, however, that if at any time thereafter the rate of interest payable hereunder is less than the Maximum Lawful Rate, the Issuers shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by the Purchasers is equal to the total interest that would have been received

had the interest rate payable hereunder been (but for the operation of this paragraph) the interest rate payable since the date hereof as otherwise provided in this Agreement. Thereafter, interest hereunder shall be paid at the rate(s) of interest and in the manner provided in Sections 2(d) through (f), unless and until the rate of interest again exceeds the Maximum Lawful Rate, and at that time this Section 2(g) shall again apply. In no event shall the total interest received by the Purchasers pursuant to the terms hereof exceed the amount that the Purchasers could lawfully have received had the interest due hereunder been calculated for the full term hereof at the Maximum Lawful Rate. If the Maximum Lawful Rate is calculated pursuant to this paragraph, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made. If, notwithstanding the provisions of this Section 2(g), a court of competent jurisdiction shall determine by a final, non-appealable order that the Purchasers have received interest hereunder in excess of the Maximum Lawful Rate, the Purchasers shall, to the extent permitted by applicable law, promptly apply such excess to the Purchaser Obligations and thereafter shall refund any excess to the Issuers or as such court of competent jurisdiction may otherwise order.

(h) Tax Matters; Original Issue Discount. Each of the Purchasers and the Issuers hereby acknowledges and agrees that the Warrants issued to the Purchasers are part of an investment unit within the meaning of Section 1273(c)(2) of the Code which includes the Notes. Notwithstanding anything to the contrary contained herein, each of the Purchasers and the Issuers hereby further acknowledges and agrees that for United States federal, state and local income tax purposes the aggregate “issue price” of the Warrants issued to the Purchasers and the Notes under Section 1273(b) of the Code shall equal \$6,114,514 and \$28,885,486, respectively. Each of the Purchasers and the Issuers agrees to use the foregoing issue prices for all income tax purposes with respect to this transaction.

### SECTION 3. Fees; Terms of the Notes.

(a) Certain Fees and Charges. On the Closing Date, the Issuers agree to pay (i) the Costs and Expenses of the Purchasers incurred through (and including) the Closing Date and (ii) the reasonably anticipated Costs and Expenses to be incurred by the Purchasers in an amount equal to \$630,000, as determined by the Purchasers in good faith, in connection with the consummation of the transactions contemplated by Sections 8(bb) and 8(cc) hereof (it being understood and agreed that the amount of the Costs and Expenses set forth in clause (ii) of this Section 3(a) is only an estimate and the Issuers shall be liable for the actual amount of such Costs and Expenses that exceed such estimated amount in accordance with the terms of Section 15 hereof).

(b) Optional Prepayments. The Issuers shall not have the right, and shall not be permitted to, prepay, redeem or repurchase all or any part of the Notes at any time prior to the Maturity Date, except as required by the Purchasers pursuant to this Agreement or the other Purchaser Documents.

(c) Mandatory Prepayments. Without limiting the Issuers’ obligation to pay the entire principal amount of the Notes, together with all accrued and unpaid interest thereon and other outstanding Purchaser Obligations, on the Maturity Date (or any other date upon acceleration of the Maturity Date pursuant to the terms of this Agreement), if at any time while

the Notes are outstanding any Mandatory Prepayment Event shall occur, then each Purchaser holding a Note(s) shall have the right (but not the obligation, unless such right is exercised with respect to at least 85% of the principal amount of Notes outstanding), if such right is exercised by Purchasers constituting the Majority Holders, upon delivery of written notice to the Issuers, to require that all or any part of such Purchaser's Note(s) be prepaid at a prepayment price equal to 101% of the principal amount of the Note(s) being prepaid, plus accrued and unpaid interest on such principal amount to the prepayment date. Any such prepayment required by this Section 3(c) shall be made by the Issuers simultaneously with the consummation of the applicable Mandatory Prepayment Event or, if the written notice referred to in the immediately preceding sentence is delivered by a Purchaser after the consummation of the applicable Mandatory Prepayment Event, then within five (5) Business Days following delivery of such notice. The Issuers will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Mandatory Prepayment Event.

(d) Payments. All payments by the Issuers of any Purchaser Obligations shall be subject to the terms and conditions of the Loan Agreement that are applicable to the payment of Purchaser Obligations and without deduction, defense, setoff or counterclaim and shall be made in United States dollars and in same day funds and delivered to each Purchaser by wire transfer to the account of such Purchaser as specified from time to time in writing by such Purchaser; provided, however, that the failure of any of the Issuers or Guarantors to make any payment, or the failure of the Purchasers to receive any payment, with respect to the Purchaser Obligations by reason of the operation of any of the terms or provisions of the Loan Agreement shall not be construed as preventing the occurrence of a Default or Event of Default hereunder or that the Purchasers or any Purchaser Agent has waived any such Default or Event of Default; provided, further that immediately upon the expiration or termination of any restriction, limitation or prohibition in the Loan Agreement on payments with respect to Purchaser Obligations, the Issuers and/or Guarantors shall resume making any and all payments on account of the Purchaser Obligations (including any payment of principal, interest or any other amount missed while any such restriction, limitation or prohibition was in effect). The Issuers shall receive credit on the day of receipt for funds received by a Purchaser by 12:00 noon (New York Time). In the absence of timely receipt, such funds shall be deemed to have been paid on the next Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest and fees due hereunder. All interest and fees under this Agreement will be calculated on the basis of a 360-day year for the actual number of days elapsed.

(e) Maturity. In all events, and under all circumstances, unless sooner paid (upon acceleration, mandatory prepayment or otherwise), the principal amount of the Notes, together with all accrued and unpaid interest and all other outstanding Purchaser Obligations, shall be immediately due and payable in full in cash on the Maturity Date.

(f) Application of Funds. So long as no Event of Default has occurred and is continuing, payments made in respect of Purchaser Obligations shall be applied, (i) first, to fees, expenses and indemnities of the Purchasers then due and payable, (ii) second, to interest under

the Notes then due and payable in cash, and (iii) third, to the principal amount of the Notes. Payments made when an Event of Default has occurred and is continuing shall be applied to the Purchaser Obligations in such manner as the Purchasers may determine, in their sole discretion. Other than payments made pursuant to Section 4 hereof and unless otherwise agreed among the Purchasers, and evidenced in writing to the Issuers prior to any payment of Purchaser Obligations, all payments applied pursuant to clauses (i), (ii) and (iii) above shall be applied among the Purchasers pro rata based on the principal amount of the Notes outstanding and held by each Purchaser thereof.

(g) Collateral. The Purchaser Obligations shall be secured by and receive the benefit of (i) the Collateral pledged to the Loan Agreement Agent, for the benefit of the “Secured Parties” (under and as defined in the Loan Agreement), under, and subject to the terms of, the Loan Agreement and the other Financing Agreements, and, (ii) upon execution and delivery of the Replacement Security Documents, the Collateral pledged to the Purchasers or pledged to any Purchaser Agent, for the benefit of the Purchasers, under, and subject to the terms of the Replacement Security Documents.

(h) Use of Proceeds. The Issuers will use the proceeds of the sale of the Securities to (i) pay down certain existing Indebtedness under the Loan Agreement in an aggregate amount not to exceed \$5,000,000, and any additional subsequent amounts consistent with the Issuers’ good faith determination of their best interests from a cash management point of view, (ii) to pay the Costs and Expenses incurred by the Purchasers, and reasonably anticipated to be incurred by the Purchasers, in connection with the transactions contemplated by this Agreement and the other Purchaser Documents in accordance with Section 3(a) hereof and (iii) for working capital needs of the Issuers and other general corporate purposes, in each case, not prohibited under this Agreement.

(i) Accounting of Purchaser Obligations. The Issuers hereby irrevocably authorize each Purchaser holding a Note to make (or cause to be made) appropriate notations on the grid attached to such Purchaser’s Note (or on any continuation of such grid), which notations, if made, shall evidence, inter alia, the date of and the outstanding principal amount evidenced thereby. Such notations shall be rebuttably presumed to be correct absent manifest error (with the Issuers bearing the burden to conclusively prove the inaccuracy of such notations absent manifest error); provided, however, that the failure of any Purchaser to make any such notations shall not limit or otherwise affect any Purchaser Obligations of any Issuer or Guarantor.

#### SECTION 4. Taxes.

(a) No Deductions. Any and all payments or reimbursements made hereunder by any Issuer or Guarantor shall be made free and clear of and without deduction for any and all charges, taxes, levies, set-offs, imposts, deductions or withholdings, and all liabilities with respect thereto of any nature whatsoever imposed by any taxing authority, excluding such taxes to the extent imposed on a Purchaser’s net income by the jurisdiction in which such Purchaser is organized. If any Issuer or Guarantor shall be required by law to deduct any such amounts from or in respect of any sum payable hereunder to a Purchaser, then the sum payable hereunder shall be increased as may be necessary so that, after making all required deductions, such Purchaser receives an amount equal to the sum it would have received had no such deductions been made.

(b) Changes in Tax Laws. In the event that, subsequent to the Closing Date, (1) any changes in any existing law, regulation, treaty or directive or in the interpretation or application thereof, (2) any new law, regulation, treaty or directive enacted or any interpretation or application thereof, or (3) compliance by a Purchaser with any request or directive (whether or not having the force of law) from any Governmental Authority:

(i) does or shall subject such Purchaser to any tax of any kind whatsoever with respect to this Agreement or any of the other Purchaser Documents or change the basis of taxation of payments to such Purchaser of principal, fees, premium, interest or any other amount payable hereunder or under any of the other Purchaser Documents (except for net income taxes or franchise taxes imposed generally by federal, state or local taxing authorities with respect to interest or fees payable hereunder or changes in the rate of tax on the overall net income of such Purchaser); or

(ii) does or shall impose on such Purchaser any other condition or increased cost in connection with the transactions contemplated hereby or participations herein (except for net income taxes or franchise taxes imposed generally by federal, state or local taxing authorities with respect to interest or fees payable hereunder or changes in the rate of tax on the overall net income of such Purchaser); and the result of any of the foregoing is to increase the cost to such Purchaser of extending the financial accommodations hereunder, as the case may be, or to reduce any amount receivable hereunder, then, in any such case, the Issuers shall promptly pay to such Purchaser, upon its demand, any additional amounts necessary to compensate such Purchaser, on an after-tax basis, for such additional cost or reduced amount receivable, as determined by such Purchaser with respect to this Agreement or any of the other Purchaser Documents. If a Purchaser becomes entitled to claim any additional amounts pursuant to this Section, it shall promptly notify the Issuers of the event by reason of which such Purchaser has become so entitled; provided, however, the failure of such Purchaser to so notify the Issuers shall not relieve the Issuers of their obligation to make the payments required under this Section 4. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by a Purchaser to the Issuers shall, absent manifest error, be final, conclusive and binding for all purposes.

SECTION 5. Conditions Precedent to Purchase and Sale of the Securities. The obligation of each Purchaser to purchase Securities shall be subject to the satisfaction of each of the following conditions precedent:

(a) Notes. The Issuers shall have issued and delivered the Notes to each of the Purchasers in the principal amount set forth opposite the name of such Purchaser on Exhibit A hereto;

(b) Warrants. Parent shall have issued and delivered the Warrants to each of the Purchasers exercisable into the number of shares of Common Stock set forth opposite the name of such Purchaser on Exhibit A hereto;

(c) Joinder to Registration Rights Agreement. Each Purchaser shall have received a counterpart of a Joinder Agreement to the Registration Rights Agreement duly executed by Parent.

(d) Other Purchaser Documents. The Purchasers shall have received a counterpart of this Agreement and each of the other Purchaser Documents duly executed by each party thereto;

(e) Corporate Action and Proceedings. All requisite corporate action and proceedings taken by the Issuers and the Guarantors in connection with this Agreement and the other Purchaser Documents shall be satisfactory in form and substance to the Purchasers, and the Purchasers shall have received all information and copies of all documents, including records of requisite corporate action and proceedings, the Purchasers may have requested in connection therewith, such documents to be certified by appropriate corporate officers or Governmental Authorities (and including (i) resolutions of each Issuer and Guarantor, (ii) a copy of the certificate of incorporation of each Issuer and Guarantor certified by the Secretary of State (or equivalent Governmental Authority) which shall set forth the complete corporate name of such Issuer or Guarantor and such document shall set forth the organizational identification number of each Issuer or Guarantor, if one is issued in its jurisdiction of incorporation, (iii) a copy of the bylaws of each Issuer and Guarantor, and (iv) a copy of a good standing certificate, dated a date reasonably close to the Closing Date, for each Issuer and Guarantor from its jurisdiction of organization);

(f) Perfection of Security Interest. The Purchasers shall have received evidence, in form and substance satisfactory to the Purchasers, that the Loan Agreement Agent has a valid perfected security interest in all of the Collateral for the benefit of the Purchasers;

(g) Legal Opinions. The Purchasers shall have received, in form and substance satisfactory to the Purchasers, such opinion letters of counsel to the Issuers and the Guarantors with respect to this Agreement, the other Purchaser Documents, the Amendment No. 4 (including the Encumbrances created thereunder in favor of the Loan Agreement Agent for the benefit of the Purchasers, and the perfection thereof) and such other matters as the Purchasers may request;

(h) Amendment No. 4. The Purchasers shall have received a copy of Amendment No. 4, which shall be in form and substance satisfactory to the Purchasers, duly executed by all parties thereto and in full force and effect;

(i) Consents and Authorizations. The Purchasers shall have received copies of all consents, authorizations, filings and approvals required to be obtained or made in connection with the execution and delivery by any Issuer or any Guarantor of the Purchaser Documents and the performance by any Issuer or any Guarantor of the transactions contemplated thereby; and all such consents, authorizations, filings and approvals shall be in full force and effect and shall be in form and substance satisfactory to the Purchasers;

(j) Lien Searches. All Uniform Commercial Code and equivalent lien search results, dated as of a date reasonably close to the Closing Date, shall have been received by, and shall be satisfactory to, the Purchasers;

(k) Senior Obligations. As of the Closing Date, and after giving effect to the consummation of the transactions contemplated by this Agreement and the other Purchaser

Documents (including, without limitation, the application of the proceeds from the Securities on the Closing Date in accordance with Section 3(h)), (i) the total principal amount of Indebtedness outstanding under the Financing Agreements shall not exceed \$75,241,559.67, (ii) the total principal amount of Indebtedness outstanding under the Supplemental Loan LC Documents shall not exceed \$0, and (iii) the total principal amount of Senior Obligations shall not exceed \$0;

(l) No Default; Representations and Warranties. On the Closing Date, and after giving effect to the consummation of the transactions contemplated by this Agreement and the other Purchaser Documents, (i) there shall exist no Default or Event of Default, (ii) there shall exist no default or event of default under any of the Financing Agreements, the Supplemental Loan LC Documents or the Senior Debt Documents and (iii) all representations and warranties made by any Issuer or Guarantor contained herein (including any representations and warranties that are incorporated herein by reference) or in the other Purchaser Documents shall have been true and correct on the date of this Agreement and shall be true and correct as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date, except to the extent that such representations and warranties expressly relate to an earlier date;

(m) Costs and Expenses. The Purchasers shall have received payment of their respective Costs and Expenses, including those reasonably anticipated to be incurred by the Purchasers in connection with the consummation of the transactions contemplated by Sections 8(bb) and 8(cc) hereof in the amount of \$630,000, in accordance with Section 3(a) hereof;

(n) Title Reports. The Purchasers shall have received a bring down search of the title of the Real Property with respect to each Mortgage; and

(o) Additional Documentation. The Purchasers shall have received, in form and substance satisfactory to the Purchasers, such other instruments, documents and certificates (including the certificates listed and described on Schedule 4 hereto) as the Purchasers may request, duly executed, or other approvals and opinions as the Purchasers may request.

SECTION 6. Representations and Warranties of Purchasers. Each Purchaser acknowledges (a) that the Securities being acquired by such Purchaser are not being registered under the Securities Act on the ground that the issuance thereof is exempt from registration under Section 4(2) of the Securities Act as not involving any public offering, and (b) that the Issuers' reliance on such exemption is predicated in part on the representation hereby made to the Issuers by such Purchaser that it is an "accredited investor" within the meaning of Regulation D, and is acquiring its Securities for investment for its own account, with no present intention of distributing the same in violation of the Securities Act.

SECTION 7. Representations and Warranties of Issuers and Guarantors. In order to induce the Purchasers to enter into this Agreement and to purchase the Securities, each Issuer and Guarantor hereby (1) agrees that the representations and warranties as set forth in Section 8 of the Loan Agreement (as such representations and warranties are in existence and in effect on the date of this Agreement, including any defined terms used in such representations and warranties, and any disclosures made on the Information Certificate (constituting Exhibit C to

the Loan Agreement (as in existence and in effect on the date hereof)) relating to such representations and warranties) shall be deemed incorporated herein by reference as if fully set forth at length herein (with such representations and warranties to be interpreted in accordance with the rules of construction set forth in Section 20 hereof) and shall be deemed to be made by the Issuers and the Guarantors as of the Closing Date to and for the benefit of the Purchasers as if each of the Purchasers was a “Lender” under the Loan Agreement, (2) confirms and acknowledges that such representations and warranties referred to in clause (1) are true and correct on and as of the Closing Date as though made on and as of such date and after giving effect to the consummation of the transactions contemplated by the Purchaser Documents and Amendment No. 4 and (3) represents and warrants to the Purchasers that the following representations and warranties are true and correct as of the date hereof and as of the Closing Date after giving effect to the transactions contemplated by the Purchaser Documents and Amendment No. 4, including the issuance and sale of the Securities:

(a) Capitalization. On the Closing Date, immediately after giving effect to the transactions contemplated by the Purchaser Documents, including the issuance and sale of the Securities hereunder, (i) the Capital Stock of Parent will consist of (x) 50,000,000 shares of Common Stock, all of which will have been duly authorized and 17,818,618 of which will be issued and outstanding, and (y) 1,000,000 shares of preferred stock, no par value per share, and none of which will be issued and outstanding, (ii) such issued and outstanding shares of Common Stock will be validly issued by Parent and fully paid, non-assessable and free of preemptive rights and other Encumbrances, and (iii) except for the Securities and except as set forth on Schedule 7(a) hereto, there will be no options, warrants, convertible securities or other rights to acquire Capital Stock from Parent, or agreements or other rights binding upon Parent to issue or sell Capital Stock of Parent, whether on conversion, exercise or exchange of options, warrants, convertible securities, rights or otherwise.

(b) Subsidiaries. All of the outstanding Capital Stock of each of Parent’s Subsidiaries is owned of record and beneficially by Parent or by another Subsidiary of Parent. No Issuer or Guarantor has any Subsidiary other than another Issuer or Guarantor.

(c) Power and Authority. The Issuers have all requisite corporate power and authority to issue the Securities, to issue the Conversion Shares upon conversion of the Notes and to issue the Warrant Shares upon exercise of the Warrants in accordance with the terms thereof.

(d) No Registration. Assuming the accuracy of the representations and warranties set forth in Section 6, it is not necessary, in connection with the issuance and sale of the Securities to the Purchasers, the issuance of the Conversion Shares upon conversion of the Notes or the issuance of the Warrant Shares upon the exercise of the Warrants, in each case in the manner contemplated by this Agreement, the Notes or the Warrants (as applicable), to register the Securities, the Conversion Shares or the Warrant Shares under the Securities Act.

(e) No Integration. Neither Parent nor any of its Subsidiaries has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of any “security” (as defined in the Securities Act) that is or will be integrated with the sale of the Securities, the Conversion Shares or the Warrant Shares in a manner that would require

registration under the Securities Act of the Securities, the Conversion Shares or the Warrant Shares.

(f) Authorization of Conversion Shares and Warrant Shares. The Conversion Shares issuable upon conversion of the Notes and the Warrant Shares issuable upon exercise of the Warrants have been duly authorized and reserved for issuance and, when issued upon conversion of the Notes in accordance with the terms of the Notes or issued upon exercise of the Warrants in accordance with the terms of the Warrants (as applicable), will be validly issued, fully paid and non-assessable. The issuance of the Conversion Shares and the Warrant Shares will not be subject to any preemptive rights, rights of first refusal or similar rights or other Encumbrances.

(g) Other Registration Rights. Except pursuant to the Registration Rights Agreement, there are no contracts, agreements or understandings between any Issuer and any other Person granting such Person the right (i) to require such Issuer to file a registration statement under the Securities Act with respect to any Capital Stock of such Issuer or (ii) to require such Issuer to include such Capital Stock with the Conversion Shares and the Warrant Shares to be registered pursuant to a registration made pursuant to the Registration Rights Agreement.

(h) No General Solicitation. No Issuer nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act (“Regulation D”)), has, directly or through an agent, engaged in any form of general solicitation or general advertising (as those terms are used in Regulation D) in connection with the offering of the Securities, the Conversion Shares or the Warrant Shares, or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; the Issuers have not entered into any contractual arrangement with respect to the distribution of the Securities, the Conversion Shares or the Warrant Shares except for this Agreement and the Registration Rights Agreement.

(i) Financing Agreements, Supplemental Loan LC Documents and Senior Debt Documents. The Issuers have provided to the Purchasers true, complete and correct copies of the Financing Agreements, the Supplemental Loan LC Documents and the Senior Debt Documents. There is no term, provision or other agreement included in any of the Senior Debt Documents that prohibits or otherwise restricts the right or the ability of the Issuers to issue and deliver the Securities, to issue and deliver the Conversion Shares upon conversion of the Notes or to issue and deliver the Warrant Shares upon exercise of the Warrants. On the Closing Date, immediately after giving effect to the transactions contemplated by the Purchaser Documents, (i) the total principal amount of Indebtedness outstanding under the Financing Agreements does not exceed \$75,241,559.67, (ii) the total principal amount of Indebtedness outstanding under the Supplemental Loan LC Documents does not exceed \$0, and (iii) the total principal amount of Senior Obligations does not exceed \$0.

(j) Undisclosed Liabilities. There are no liabilities, obligations or Indebtedness of the Issuers or the Guarantors of any kind, whether accrued, contingent, absolute, determinable, known or unknown or otherwise, other than (i) liabilities, obligations and Indebtedness reflected or disclosed in (x) Parent’s Rule 15c2-11 Information and Disclosure Statement for the fiscal quarter ended June 30, 2007, including the unaudited consolidated

balance sheet of Parent and its Subsidiaries dated as of June 30, 2007, and the related consolidated statements of operations, stockholders' equity and cash flows for the six (6) months then ended, but excluding the "Risk Factors" section of such Rule 15c2-11 Information and Disclosure Statement (other than the information set forth in the "Risk Factors" section under the following headings: "The Company has substantial retiree pension obligations," "The Company has substantial contractual obligations for payments to the VEBA Trusts," and "The Company continues to incur costs associated with the idled Burnside, Louisiana aluminum plant (other than the second sentence set forth under that heading)), and (y) the unaudited consolidated balance sheet of Parent and its Subsidiaries dated as of August 31, 2007, and the related consolidated statements of operations, stockholders' equity and cash flows for the eight (8) months then ended (the financial statements referred to in clauses (x) and (y) being referred to as the "Financial Statements"), (ii) liabilities, obligations or Indebtedness incurred pursuant to this Agreement and the other Purchaser Documents and the transactions contemplated hereby and thereby, (iii) liabilities or obligations incurred in the ordinary course of business consistent with past practice since August 31, 2007 and (iv) environmental liabilities and obligations which are described on Schedules to this Agreement or which are not known, to the best of the Issuers' and Guarantors' knowledge after all appropriate inquiry, by the Issuers or the Guarantors on the date of this Agreement.

(k) Minimum Funding Waiver. As of the Closing Date, (i) the Issuers have satisfied (or caused to be satisfied) any and all conditions that were required to be satisfied on or prior to the Closing Date under the minimum funding waiver conditionally granted by the Internal Revenue Service to Parent for the Ormet Pension Plan for the plan year ending December 31, 2006, pursuant to the letter agreement, dated August 23, 2007 (the "Waiver"), (ii) the Waiver has not been withdrawn or rendered null and void by the Internal Revenue Service and is still in full force and effect, and (iii) the Issuers are not aware (after reasonable investigation and due inquiry) of any attempt or threat by either the Internal Revenue Service or the PBGC to withdraw or render null and void the Waiver.

(l) Amendment No. 4. Amendment No. 4 has been duly and validly authorized, executed and delivered by the Issuers and the Guarantors and is the legal, valid and binding agreement of the Issuers and the Guarantors, enforceable against the Issuers and the Guarantors in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, fraudulent conveyance, reorganization, moratorium and similar laws affecting the rights and remedies of creditors generally. Amendment No. 4, together with the filing of the UCC financing statements and Mortgages made prior to the Closing Date in accordance with the terms of the Financing Agreements, are effective to create in favor of the Loan Agreement Agent, for the benefit of the Purchasers, as security for the Purchaser Obligations, a valid and duly perfected Encumbrance on all of the Collateral.

(m) Financial Statements. The Issuers have delivered to the Purchasers true, correct and complete copies of each of the Financial Statements. Each of the Financial Statements is accurate in all material respects and have been prepared in accordance with GAAP (subject to the absence of footnotes and to normal recurring year-end audit adjustments); each of the balance sheets included within the Financial Statements fairly and accurately present the financial condition of Parent and its Subsidiaries as of its respective date; and the statements of

operations and cash flows fairly and accurately present the results of operations for the periods covered thereby.

(n) Brokers. No Issuer or Guarantor has retained or engaged a broker, investment banker, financial advisor or other Person, other than Imperial Capital, LLC, the fees and expenses of which will be paid by the Issuers, which is or will be entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement or the other Purchaser Documents.

SECTION 8. Affirmative and Negative Covenants. Each Issuer and Guarantor hereby agrees that, from the date of this Agreement until all of the Purchaser Obligations have been paid in full in cash, each Issuer and each Guarantor shall comply with all of the covenants and agreements set forth below in this Section 8:

(a) Financial Statements and Other Information. Each Issuer and Guarantor shall, and shall cause any Subsidiary of Parent, to deliver to the Opt-In Holders copies of all required monthly, quarterly and annual financial reports and other reports, borrowing base certificates (not to exceed more than one (1) borrowing base certificate a week), monthly, quarterly and annual compliance certificates, information relating to the Collateral, monthly, quarterly and annual projections, budgets and forecasts (including any updates thereto), notices relating to orders, judgments or decrees being entered against any Issuer or Guarantor (or any of their respective properties or assets), notices of material violations of law, and notices of defaults or events of default under any of the Financing Agreements, the Supplemental Loan LC Documents or the Senior Debt Documents ("Credit Reports"), as and when such items are required to be delivered to the Loan Agreement Agent and the Lenders, or to any Senior Agent, the holders of Indebtedness under the Supplemental Loan LC Documents or to any holders of Senior Obligations under the Financing Agreements, Supplemental Loan LC Documents or the Senior Debt Documents (as applicable); provided, that, nothing in this Section 8(a) shall require the Issuers or the Guarantors to deliver to any Opt-In Holder any information or reports (other than notices) delivered to the Issuers or the Guarantors by the Loan Agreement Agent or the Lenders pursuant to the Financing Agreements without the prior written consent of the Loan Agreement Agent. The term "Opt-In Holder" shall mean, as of any date of determination, (i) any Designated Holder and (ii) any Purchaser that holds Notes as of such date in a principal amount of at least \$5,000,000 and that elects, by written notice delivered to the Issuers, to receive the Credit Reports required to be delivered by the Issuers and the Guarantors to the Opt-In Holders under this Section 8(a); provided, however, that any Opt-In Holder may elect at any time and from time to time, by written notice delivered to the Issuers, to discontinue receiving the Credit Reports required to be delivered by the Issuers and the Guarantors to the Opt-In Holders under this Section 8(a), in which case such Purchaser shall cease to be an Opt-In Holder for purposes of this Agreement unless and until such Opt-In Holders again elects to be an Opt-In Holder as hereinabove provided; provided, further that any such reelection to be an Opt-In Holder may not be made prior to three (3) months after delivery of the notice to discontinue receiving the Credit Reports and any further notice to discontinue receiving the Credit Reports may not be made prior to three (3) months after the last notice of reelection to be an Opt-In Holder, unless an Event of Default has occurred and is continuing (in which case, a Purchaser may, notwithstanding anything to the contrary contained herein, elect or reelect to receive, or discontinue receiving,

Credit Reports at any time and from time to time during the continuance of such Event of Default).

(b) Access to Premises. From time to time as requested by any Purchaser, at the cost and expense of the Issuers, (i) such Purchaser or its designee shall have complete access to all of each Issuer's and Guarantor's premises during normal business hours and after reasonable notice to Parent, or at any time and without notice to the Issuers if an Event of Default exists or has occurred and is continuing, for the purposes of inspecting, verifying and auditing the Collateral and all of each Issuer's and Guarantor's books and records, including the Records, and discussing their respective affairs, finances and accounts with their respective officers, employees and independent public accountants, and (ii) each Issuer and Guarantor shall promptly furnish to such Purchaser such copies of such books and records or extracts therefrom as such Purchaser may reasonably request, and such Purchaser's designee may make reasonable use during normal business hours such of any Issuer's and Guarantor's personnel, equipment, supplies and premises as may be reasonably necessary for the foregoing.

(c) Foreign Assets Control Regulations, Etc. None of the issuance of the Securities nor creation of any Purchaser Obligations hereunder will violate the Trading With the Enemy Act (50 U.S.C. §1 et seq., as amended) (the "Trading With the Enemy Act") or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) (the "Foreign Assets Control Regulations") or any enabling legislation or executive order relating thereto (including, but not limited to (i) Executive order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Executive Order") and (ii) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56). None of Issuers or any of their Subsidiaries or other Affiliates is or will become a "blocked person" as described in the Executive Order, the Trading with the Enemy Act or the Foreign Assets Control Regulations or engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person".

(d) Board Observation Rights. So long as the Purchasers hold Notes equal to, or in excess of, 50% of the principal amount of the Notes issued on the Closing Date, the Issuers shall, and shall cause each of their Subsidiaries to, afford the Majority Holders the right to have one (1) designated representative attend (or at the option of such designated representative, monitor by telephone), as an observer (each, an "Observer"), each meeting of any Board, subject to the last sentence of this Section 8(d). The Majority Holders shall designate an Observer by giving the Issuers written notice of such designation (which notice shall include the identity of such Observer and his or her contact information) in accordance with Section 11 hereof and may from time to time, so long as the Purchasers have the right to designate an Observer as hereinabove provided, remove and replace an Observer with a new Observer by giving the Issuers notice of such removal and replacement. Any Observer shall enter into a reasonable confidentiality agreement with Parent in connection with his or her service as an Observer pursuant to this Section 8(d). The Issuers shall give each Observer (i) notice of all meetings of each Board at the same time and in the same manner as notice is given to members of such Board and (ii) all written materials and other information given to members of each Board at the same time and in the same manner and form as such materials and information are given to such

members, and copies of all minutes and all resolutions adopted by each Board (whether at meetings, by written consent or otherwise), promptly after such adoption. The Issuers shall reimburse any Purchaser for the reasonable out-of-pocket expenses incurred by any Observer appointed by such Purchaser in connection with attendance at meetings of any Board. Anything in this Section 8(d) to the contrary notwithstanding, no Observer shall be entitled to attend any meetings, or receive any materials, information, minutes or resolutions with respect to any meetings, of (x) the audit committee of a Board for the sole purpose of approving financial statements and periodic financial reports of any Issuer or Guarantor or (y) the compensation committee of a Board for the sole purpose of determining compensation for individual employees of any Issuer or Guarantor; provided, however, that the Observers shall be provided advance notice of any such meetings in accordance with the provisions of this Section 8(d).

(e) Limits on Layering. Each Issuer and Guarantor shall not create, incur, assume or suffer to exist any Encumbrance (other than an Encumbrance securing the obligations, liabilities and indebtedness arising under the Financing Agreements, an Encumbrance securing the obligations, liabilities and indebtedness arising under the Supplemental Loan LC Documents or an Encumbrance securing the Senior Obligations) on any of its assets or properties, including the Collateral, that is subordinate in any respect to the Encumbrances that secure any of the obligations, liabilities and indebtedness arising under the Financing Agreements, any of the obligations, liabilities and indebtedness arising under the Supplemental Loan LC Documents or any of the Senior Obligations unless such Encumbrance is subordinated in the same manner and to the same extent to the Encumbrances that secure the Purchaser Obligations. In addition, no Issuer or Guarantor shall incur any Indebtedness that is subordinate or junior in right of payment to any other Indebtedness (other than obligations, liabilities and indebtedness arising under the Financing Agreements, obligations, liabilities and indebtedness arising under the Supplemental Loan LC Documents or the Senior Obligations) of any of the Issuers or Guarantors unless such subordinated Indebtedness is subordinated in the same manner and to the same extent to the Purchaser Obligations.

(f) Asset Sales. Except as otherwise required by, and subject to the terms and conditions of the Loan Agreement, on each date on or after the Closing Date upon which the Issuers, the Guarantors or any of their respective Subsidiaries receive any Net Proceeds from any sale, transfer or other disposition of assets or properties (including, without limitation, any Capital Stock of another Person), other than Net Proceeds received from any Excluded Sales, an amount equal to 100% of the Net Proceeds therefrom shall be applied promptly (but in no event more than one (1) Business Day following receipt thereof) (w) to prepay any obligations, liabilities and indebtedness arising under the Financing Agreements, any obligations, liabilities and indebtedness arising under the Supplemental Loan LC Documents, or any Senior Obligations, in any case, consisting of loans or reimbursement obligations that cannot be reborrowed or, absent the existence of any such loans or reimbursement obligations, (x) to prepay any obligations, liabilities and indebtedness arising under the Financing Agreements, any obligations, liabilities and indebtedness arising under the Supplemental Loan LC Documents, or any Senior Obligations, in any case, consisting of revolving loans with a corresponding permanent reduction in the commitment of the Lenders, the holders of Indebtedness or other obligations under the Supplemental Loan LC Documents or holders of Senior Obligations (as applicable) to make any such revolving loans or, absent the existence of any such outstanding revolving loans, (y) to permanently reduce any commitments to extend obligations, liabilities or

indebtedness under the Financing Agreements, obligations, liabilities or indebtedness under the Supplemental Loan LC Documents, or any Senior Obligations or, absent the existence of any such outstanding commitments, (z) to cash collateralize outstanding letters of credit issued under or pursuant to the Financing Agreements, the Supplemental Loan LC Documents or the Senior Debt Documents.

(g) Further Assurances. At the request of any Purchaser, at any time and from time to time, the Issuers and the Guarantors shall, at their expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be necessary or proper to otherwise effectuate the provisions or purposes of this Agreement and the other Purchaser Documents.

(h) Limitation on Total Senior Indebtedness. Without limiting the provisions of Section 8(r), each Issuer and Guarantor shall not, and shall not permit any Subsidiary of Parent to, permit at any time Total Senior Indebtedness to be greater than an amount equal to the sum of (x) the Working Capital Debt Cap at such time minus the Cap at such time (provided that if such difference shall be a negative number, the amount under this clause (x) shall be zero) plus (y) the Cap at such time; provided, however, that for purposes of this Section 8(h), the “Working Capital Debt Cap” shall be deemed to be zero from and after such time as the Loan Agreement Obligations and the Reimbursement Agreement Obligations shall have been “paid in full” (as defined in the Loan Agreement on the date hereof). The term “Total Senior Indebtedness” shall mean, as of any date of determination, the aggregate principal amount of (x) Indebtedness of any of the Issuers or Guarantors that is senior in right of payment to any of the Purchaser Obligations, including, without limitation, the Loan Agreement Obligations and the Reimbursement Agreement Obligations, (y) Indebtedness that is secured by an Encumbrance on any assets or properties of any Issuer or Guarantor which is senior in priority (by contract, operation of law or otherwise) to the Encumbrance on the same assets or properties granted in favor of, or for the benefit of, the Purchasers or any Purchaser Agent to secure the Purchaser Obligations, including, without limitation, the Loan Agreement Obligations and the Reimbursement Agreement Obligations, and (z) Indebtedness that is secured by an Encumbrance on any assets or properties of any Issuer or Guarantor, which assets or properties are not encumbered by an Encumbrance granted in favor of, or for the benefit of, the Purchasers or any Purchaser Agent to secure the Purchaser Obligations.

(i) Modification of Senior Debt Documents and Senior Obligations. The Issuers and the Guarantors will not, and will not permit any of the Subsidiaries of Parent to, (x) amend, supplement, waive or otherwise modify any of the Senior Debt Documents, or (y) refund, refinance, renew, replace or restructure any of the Senior Obligations, if the effect of the foregoing is to expressly limit the Issuers’ ability to pay the Purchaser Obligations or restrict the Issuers and/or the Guarantors from making amendments or modifications to this Agreement or any of the other Purchaser Documents, in each case in a way that is more restrictive than is provided for in the Senior Debt Documents being amended, supplemented, waived or modified.

(j) Amendments of Loan Agreement. The provisions of the Loan Agreement shall be modified only in accordance with its terms; provided, that, without the prior written consent of the Purchasers, no amendment, modification or waiver of the Loan Agreement shall:

(i) modify the definitions of “Obligations”, “Secured Parties”, “Securities Purchase Agreement”, “Subordinated Note Agreements”, Subordinated Noteholders”, “Subordinated Note Obligations”, “Subordinated Note Deposit Account” and “Subordinated Notes”;

(ii) modify the last sentence of the definition of “Lenders”;

(iii) modify the definition of “Maximum Credit” such that the aggregate principal amount of indebtedness would exceed \$175,000,000; provided, that, if the Replacement Security Documents are executed and delivered, in form and substance acceptable to Loan Agreement Agent, then the “Maximum Credit” will be amended to be reduced to \$140,000,000;

(iv) modify the definition of “Revolving Loan Limit” to increase the amount set forth in such definition;

(v) modify Sections 6.4(a), 6.4(c), or 9.9(l) of the Loan Agreement;

(vi) change or add any provision in the Loan Agreement that expressly limits the Issuers’ or the Guarantors’ ability to pay Purchaser Obligations or restricts the Issuers and/or Guarantors from making amendments or modifications to this Agreement in a way that is more restrictive than is provided for in the Loan Agreement (as in effect on the date hereof); or

(vii) modify Section 2 of Amendment No. 4.

The provisions of the Reimbursement Agreement shall be modified only in accordance with its terms; provided that, without the prior written consent of the Purchasers, no amendment, modification or waiver of the provisions of the Reimbursement Agreement shall be made in any way or manner in which the provisions of the Loan Agreement could not be amended, modified or waived in accordance with the provisions of this Section 8(j).

(k) Maintenance of Existence.

(i) Each Issuer and Guarantor shall at all times (A) preserve, renew and keep in full force and effect its corporate existence and rights and franchises with respect thereto and (B) maintain in full force and effect all licenses, trademarks, tradenames, approvals, authorizations, leases, contracts and Permits necessary to carry on the business as presently or proposed to be conducted, except as to any Guarantor other than Parent as permitted in Section 6 hereto and except where the failure to so maintain does not or would not reasonably be expected to have a Material Adverse Effect.

(ii) No Issuer or Guarantor shall change its name unless each of the following conditions is satisfied: (A) Purchasers or any Purchaser Agent shall have received not less than thirty (30) days prior written notice from Parent of such proposed change in its name, which notice shall accurately set forth the new name; and (B) Purchasers or any Purchaser Agent shall have received a copy of the amendment to the Certificate of Incorporation (or similar organizational document) of such Issuer or Guarantor providing for the name change certified by

the Secretary of State (or similar Governmental Authority) of the jurisdiction of incorporation or organization of such Issuer or Guarantor as soon as it is available.

(iii) No Issuer or Guarantor shall change its chief executive office or its mailing address or organizational identification number (or if it does not have one, shall not acquire one) unless Purchasers or any Purchaser Agent shall have received not less than thirty (30) days' prior written notice from Parent of such proposed change, and Purchasers or any Purchaser Agent shall have received such agreements as Majority Holders or any Purchaser Agent may reasonably require in order to maintain the perfection of the Purchasers' or any Purchaser Agent's Encumbrance on the Collateral. No Issuer or Guarantor shall change its type of organization, jurisdiction of organization or other legal structure.

(l) New Collateral Locations. Each Issuer and Guarantor may only open any new location within the continental United States provided such Issuer or Guarantor (i) gives Purchasers or any Purchaser Agent thirty (30) days prior written notice of the intended opening of any such new location and (ii) executes and delivers, or causes to be executed and delivered, to Purchasers or any Purchaser Agent such agreements, documents, and instruments as Majority Holders or any Purchaser Agent may deem reasonably necessary or desirable to protect their interest in the Collateral at such location.

(m) Compliance with Laws, Regulations, Etc.

(i) Each Issuer and Guarantor shall, and shall cause any Subsidiary of Parent to, at all times, comply in all material respects with all laws, rules, regulations, licenses, approvals, orders and other Permits applicable to it and duly observe all requirements of any foreign, Federal, State or local Governmental Authority, except where the failure to so comply does not or would not reasonably be expected to have a Material Adverse Effect.

(ii) Issuers and Guarantors shall give written notice to Purchasers or any Purchaser Agent immediately upon any Issuer's or Guarantor's receipt of any notice of, or any Issuer's or Guarantor's otherwise obtaining knowledge of, (A) the occurrence of any event involving the release, spill or discharge, threatened or actual, of any Hazardous Material, except where the occurrence of which does not or would not reasonably be expected to have a Material Adverse Effect, or (B) any investigation, proceeding, complaint, order, directive, claims, citation or notice with respect to: (I) any non-compliance with or violation of any Environmental Law by any Issuer or Guarantor or (II) the release, spill or discharge, threatened or actual, of any Hazardous Material other than in the ordinary course of business and other than as permitted under any applicable Environmental Law, in each case, except where such non-compliance or violation does not or would not reasonably be expected to have a Material Adverse Effect. Copies of all environmental surveys, audits, assessments, feasibility studies and results of remedial investigations shall be promptly furnished, or caused to be furnished, by such Issuer or Guarantor to Purchasers or any Purchaser Agent. Each Issuer and Guarantor shall take prompt action to respond to any material non-compliance with any of the Environmental Laws and shall regularly report to Purchasers or any Purchaser Agent on such response.

(iii) Each Issuer and Guarantor shall indemnify and hold harmless Purchasers, any Purchaser Agent and their respective directors, officers, employees, agents,

invitees, representatives, successors and assigns, from and against any and all losses, claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses) directly or indirectly arising out of or attributable to the use, generation, manufacture, reproduction, storage, release, threatened release, spill, discharge, disposal or presence of a Hazardous Material, including the costs of any required or necessary repair, cleanup or other remedial work with respect to any property of any Issuer or Guarantor and the preparation and implementation of any closure, remedial or other required plans. All representations, warranties, covenants and indemnifications in this Section 8(m)(iii) shall survive the payment of the Purchaser Obligations and the termination of this Agreement.

(n) Payment of Taxes and Claims. Each Issuer and Guarantor shall, and shall cause any Subsidiary of Parent to, duly pay and discharge all taxes, assessments, contributions and governmental charges upon or against it or its properties or assets, except for taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to such Issuer, Guarantor or Subsidiary, as the case may be, and with respect to which adequate reserves have been set aside on its books to the extent required by GAAP.

(o) Insurance. Each Issuer and Guarantor shall, and shall cause any Subsidiary of Parent to, at all times, maintain with financially sound and reputable insurers insurance with respect to the Collateral against loss or damage and all other insurance of the kinds and in the amounts customarily insured against or carried by corporations or other entities of established reputation engaged in the same or similar businesses and similarly situated. Issuers and Guarantors shall furnish copies of certificates, policies or endorsements to Purchasers or any Purchaser Agent as proof of such insurance. All policies shall provide for at least thirty (30) days prior written notice to Purchasers or any Purchaser Agent of any cancellation or reduction of coverage. Issuers and Guarantors shall cause any Purchaser Agent (or, to the extent there is no Purchaser Agent, the Purchasers) to be named as a loss payee and each of the Purchasers and any Purchaser Agent to be named as an additional insured (but without any liability for any premiums) under such insurance policies and Issuers and Guarantors shall obtain non-contributory lender's loss payable endorsements to all insurance policies in form and substance satisfactory to Majority Holders or any Purchaser Agent. Such lender's loss payable endorsements shall specify that the proceeds of such insurance shall be payable to Purchaser Agent (or, to the extent there is no Purchaser Agent, the Purchasers) as its/their interests may appear and further specify that Purchaser Agent and Purchasers shall be paid regardless of any act or omission by any Issuer, Guarantor or any of its or their Affiliates. Without limiting any other rights of Purchasers or any Purchaser Agent, any insurance proceeds received by Purchasers or any Purchaser Agent at any time may be applied to payment of the Purchaser Obligations, whether or not then due, in any order and in such manner as Purchasers or any Purchaser Agent may determine.

(p) Consolidation, Merger, Dissolution, Etc. Each Borrower and Guarantor shall not, and shall not permit any Subsidiary of Parent to, directly or indirectly,

(i) merge into or with or consolidate with any other Person or permit any other Person to merge into or with or consolidate with it except that any wholly-owned Subsidiary of Parent (other than any Issuer) may merge with and into or consolidate with any other wholly-owned Subsidiary of Parent (other than any Issuer); provided, that, each of the

following conditions is satisfied as determined by Majority Holders or any Purchaser Agent in good faith: (A) as of the effective date of the merger or consolidation and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing, and (B) the surviving corporation or other entity shall expressly confirm, ratify and assume the Purchaser Obligations and the Purchaser Documents to which it is a party in writing, in form and substance satisfactory to Majority Holders or any Purchaser Agent, and Issuers and Guarantors shall execute and deliver such other agreements, documents and instruments as Majority Holders or any Purchaser Agent may request in connection therewith;

(ii) wind up, liquidate or dissolve except that any Guarantor (other than Parent) may wind up, liquidate and dissolve; provided, that, each of the following conditions is satisfied, (A) the winding up, liquidation and dissolution of such Guarantor shall not violate any law or any order or decree of any court or other Governmental Authority in any material respect and shall not conflict with or result in the breach of, or constitute a default under, any indenture, mortgage, deed of trust, or any other agreement or instrument to which any Issuer or Guarantor is a party or may be bound, (B) such winding up, liquidation or dissolution shall be done in accordance with the requirements of all applicable laws and regulations, (C) effective upon such winding up, liquidation or dissolution, all of the assets and properties of such Guarantor shall be duly and validly transferred and assigned to an Issuer, free and clear of any Encumbrances other than (I) any Encumbrances that secure the obligations, liabilities or indebtedness arising under the Financing Agreements, (II) any Encumbrances that secure the obligations, liabilities or indebtedness arising under the Supplemental Loan LC Documents, (III) any Encumbrances that secure the Senior Obligations and (IV) Encumbrances of Purchasers or any Purchaser Agent and Purchasers or any Purchaser Agent shall have received such deeds, assignments or other agreements as Majority Holders or any Purchaser Agent may request to evidence and confirm the transfer of such assets of such Guarantor to an Issuer, (D) no Issuer or Guarantor shall assume any Indebtedness, obligations or liabilities as a result of such winding up, liquidation or dissolution, or otherwise become liable in respect of any obligations or liabilities of the entity that is winding up, liquidating or dissolving, unless such Indebtedness is otherwise expressly permitted hereunder, and (E) as of the date of such winding up, liquidation or dissolution and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing; or

(iii) agree to do any of the foregoing.

(q) Encumbrances. Each Issuer and Guarantor shall not, and shall not permit any Subsidiary of Parent to, create, incur, assume or suffer to exist any Encumbrance of any nature whatsoever on any of its assets or properties, including the Collateral, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Encumbrance with respect to any such assets or properties, except:

(i) the Encumbrances that secure the obligations, liabilities and indebtedness arising under the Loan Agreement and the other Financing Agreements;

(ii) the Encumbrances that secure the obligations, liabilities and indebtedness arising under the Reimbursement Agreement and the other Supplemental Loan LC Documents;

(iii) purchase money security interests in Equipment (including Capital Leases), purchase money mortgages on Real Property and other Encumbrances (including Encumbrances on Collateral) securing Senior Obligations; provided, that the any such purchase money security interests in Equipment and purchase money mortgages on Real Property do not apply to any property of such Issuer, Guarantor or Subsidiary other than the Equipment or Real Property so acquired;

(iv) liens securing the payment of taxes, assessments or other governmental charges or levies either not yet overdue or the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to such Issuer, Guarantor or Subsidiary, as the case may be, and with respect to which adequate reserves have been set aside on its books;

(v) non-consensual statutory liens (other than liens securing the payment of taxes) arising in the ordinary course of such Issuer's, Guarantor's or Subsidiary's business to the extent: (A) such liens secure Indebtedness which is not overdue or (B) such liens secure Indebtedness relating to claims or liabilities which are fully insured and being defended at the sole cost and expense and at the sole risk of the insurer or being contested in good faith by appropriate proceedings diligently pursued and available to such Issuer, Guarantor or such Subsidiary, in each case prior to the commencement of foreclosure or other similar proceedings and with respect to which adequate reserves have been set aside on its books;

(vi) zoning restrictions, easements, licenses, covenants and other restrictions affecting the use of Real Property which do not interfere in any material respect with the use of such Real Property or ordinary conduct of the business of such Issuer, Guarantor or such Subsidiary as presently conducted thereon or materially impair the value of the Real Property which may be subject thereto;

(vii) liens and Encumbrances securing the Purchaser Obligations;

(viii) pledges and deposits of cash by any Issuer or Guarantor after the date hereof in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security benefits consistent with the current practices of such Issuer or Guarantor as of the date hereof;

(ix) pledges and deposits of cash by any Issuer or Guarantor after the date hereof to secure the performance of tenders, bids, leases, trade contracts (other than for the repayment of Indebtedness), statutory obligations and other similar obligations in each case in the ordinary course of business consistent with the current practices of such Issuer or Guarantor as of the date hereof; provided, that, in connection with any performance bonds issued by a surety or other Person, the issuer of such bond shall have waived in writing any rights in or to, or other interest in, any of the Collateral in a written agreement;

(x) liens arising from (A) operating leases and the precautionary UCC financing statement filings in respect thereof and (B) equipment or other materials which are not owned by any Issuer or Guarantor located on the premises of such Issuer or Guarantor (but not in connection with, or as part of, the financing thereof) from time to time in the ordinary course of

business and consistent with current practices of such Issuer or Guarantor and the precautionary UCC financing statement filings in respect thereof;

(xi) judgments and other similar liens arising in connection with court proceedings that do not constitute an Event of Default; provided, that, (A) such liens are being contested in good faith and by appropriate proceedings diligently pursued, (B) adequate reserves or other appropriate provision, if any, as are required by GAAP have been made therefor and (C) a stay of enforcement of any such liens is in effect;

(xii) Encumbrances or rights in favor of Insurance Premium Lender securing the Indebtedness to the extent permitted by Section 8(r)(v) hereof; provided, that, such Encumbrances or rights shall be limited to the right to receive and be paid any and all unearned premiums financed by the Insurance Premium Lender that are paid by or on behalf of the insurance company issuing the policy described in the Insurance Premium Finance Agreements, but shall not include or apply to any of the other Collateral (or include any claims or potential claims related thereto) and such security interests or any other rights or claims of such Insurance Premium Lender shall not in any manner affect the ability of Purchasers or any Purchaser Agent to obtain or receive payment of proceeds of insurance with respect to any of the Collateral;

(xiii) deposits in cash to JPMorgan Chase Bank to secure Indebtedness arising from the issuance of employee credit cards by JPMorgan Chase Bank on behalf of Parent to the extent permitted by Section 8(r)(ix) hereof;

(xiv) licenses of Intellectual Property provided, that, (A) the transaction with respect to such license is an arm's length transaction in the ordinary course of business of such Issuer, Guarantor or such Subsidiary, (B) Issuer, Guarantor or such Subsidiary receives at least fair market value with respect to the value of such license as determined by Issuers in good faith, and (C) any rights of such Issuer or such Subsidiary shall be subject to the rights of Purchasers or any Purchaser Agent in such Intellectual Property, including, without limitation, the rights of Purchasers or any Purchaser Agent to use such Intellectual Property in connection with the exercise of Purchasers' or such Purchaser Agent's rights and remedies with respect to the Collateral;

(xv) a consensual Encumbrance in favor of the PBGC securing obligations up to \$35,000,000 on account of pension obligations for 2006; and

(xvi) the security interests and liens set forth on Schedule 8(q) hereto.

(r) Indebtedness. Each Issuer and Guarantor shall not, and shall not permit any Subsidiary of Parent to, incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any Indebtedness, or guarantee, assume, endorse, or otherwise become responsible for (directly or indirectly), the Indebtedness, performance, obligations or dividends of any other Person, except:

(i) the Purchaser Obligations (including without limitation the guarantees thereof by the Guarantors);

(ii) the Loan Agreement Obligations arising under the Loan Agreement and the other Financing Agreements in a principal amount not to exceed the Working Capital Debt Cap (when added to the principal amount outstanding under the Reimbursement Agreement and the other Supplemental Loan LC Documents);

(iii) the Reimbursement Agreement Obligations arising under the Reimbursement Agreement and the other Supplemental Loan LC Documents in a principal amount not to exceed the Working Capital Debt Cap (when added to the principal amount outstanding under the Loan Agreement and the other Financing Agreements);

(iv) (A) Indebtedness of any Issuer or Guarantor arising after the date hereof in exchange for, or the proceeds of which are used to refinance or replace the Loan Agreement and the other Financing Agreements that constitutes a Permitted Loan Agreement Replacement, which Indebtedness when added to the principal amount outstanding under the Reimbursement Agreement and the other Supplemental Loan LC Documents shall not exceed the Working Capital Debt Cap, (B) Indebtedness of any Issuer or Guarantor arising after the date hereof in exchange for, or the proceeds of which are used to refinance or replace the Loan Agreement and the other Financing Agreements that does not constitute a Permitted Loan Agreement Replacement so long as such Indebtedness qualifies as Senior Obligations hereunder, (C) Indebtedness of any Issuer or Guarantor arising after the date hereof in exchange for, or the proceeds of which are used to refinance or replace the Reimbursement Agreement and the other Supplemental Loan LC Documents that constitutes a Permitted Reimbursement Agreement Replacement, which Indebtedness when added to the principal amount outstanding under the Loan Agreement and the other Financing Agreements shall not exceed the Working Capital Debt Cap, or (D) Indebtedness of any Issuer or Guarantor arising after the date hereof in exchange for, or the proceeds of which are used to refinance or replace the Reimbursement Agreement and the other Supplemental Loan LC Documents that does not constitute a Permitted Reimbursement Agreement Replacement so long as such Indebtedness qualifies as Senior Obligations hereunder, and (E) other Senior Obligations (including, without limitation, the guarantee thereof by any Issuer or Guarantor);

(v) unsecured Indebtedness of any Issuer or Guarantor in an aggregate principal amount not exceeding \$10,000,000 at any time outstanding (including, without limitation, for this purpose Indebtedness of Issuers and Guarantors to Insurance Premium Lender with respect to loans or other financial accommodations provided by Insurance Premium Lender to Issuers and Guarantors to finance the insurance premiums of Issuers and Guarantors payable on certain insurance policies maintained by Issuers and Guarantors as set forth in the Insurance Premium Finance Agreements);

(vi) the Indebtedness of any Issuer or Guarantor to any other Issuer or Guarantor arising after the date hereof pursuant to loans by any Issuer or Guarantor permitted under Section 8(s)(vii) hereof;

(vii) Indebtedness of any Issuer or Guarantor entered into in the ordinary course of business pursuant to a Hedge Agreement; provided, that, (A) such arrangements are not for speculative purposes, and (B) such Indebtedness shall be unsecured,

except to the extent such Indebtedness arises under or pursuant to Hedge Agreements constituting part of the Senior Obligations;

(viii) the Indebtedness set forth on Schedule 8(r) hereto; provided, that, (A) Issuers and Guarantors may only make regularly scheduled payments of principal and interest in respect of such Indebtedness in accordance with the terms of the agreement or instrument evidencing or giving rise to such Indebtedness as in effect on the date hereof, (B) Issuers and Guarantors shall not, directly or indirectly, (I) amend, modify, alter or change the terms of such Indebtedness or any agreement, document or instrument related thereto as in effect on the date hereof except, that, Issuers and Guarantors may, after prior written notice to Purchasers or any Purchaser Agent, amend, modify, alter or change the terms thereof so as to extend the maturity thereof, or defer the timing of any payments in respect thereof, or to forgive or cancel any portion of such Indebtedness (other than pursuant to payments thereof), or to reduce the interest rate or any fees in connection therewith, or (II) redeem, retire, defease, purchase or otherwise acquire such Indebtedness, or set aside or otherwise deposit or invest any sums for such purpose, and (C) Issuers and Guarantors shall furnish to Purchasers or any Purchaser Agent all notices or demands in connection with such Indebtedness either received by any Issuer or Guarantor or on its behalf, promptly after the receipt thereof, or sent by any Issuer or Guarantor or on its behalf, concurrently with the sending thereof, as the case may be;

(ix) Indebtedness of Issuers and Guarantors to JPMorgan Chase Bank arising from employee credit cards issued by JPMorgan Chase Bank on behalf of Parent; provided, that, (A) the principal amount of such Indebtedness shall not exceed \$150,000 in the aggregate on deposit with JPMorgan Chase, (B) such Indebtedness shall be secured only by the right of JPMorgan Chase Bank to apply the amount of up to \$150,000 on deposit with JPMorgan Chase Bank, and (C) the use of such employee credit cards comply with all of the terms and conditions of Section 8(s)(iv) hereof; and

(x) Indebtedness of Issuers or Guarantors arising after the date hereof issued in exchange for, or the proceeds of which are used to refinance, replace or substitute for Indebtedness permitted under Section 8(r)(viii) hereof (the “Refinancing Indebtedness”); provided, that, as to any such Refinancing Indebtedness, each of the following conditions is satisfied: (A) promptly upon Majority Holders’ or any Purchaser Agent’s request, Purchasers or any Purchaser Agent shall have received true, correct and complete copies of all agreements, documents and instruments evidencing or otherwise related to such Indebtedness, as duly authorized, executed and delivered by the parties thereto, (B) the Refinancing Indebtedness shall rank in right of payment no more senior with respect to the Purchaser Obligations (as opposed to with respect to other Senior Obligations) than the Indebtedness being refinanced, replaced or substituted for, (C) such Indebtedness shall be incurred by Issuers or Guarantors in a bona fide arm’s length transaction and on terms and conditions that are commercially reasonable, (D) after giving effect to the incurring of such Indebtedness and the use of proceeds thereof, no Event of Default shall exist or have occurred and be continuing, (E) the principal amount of such Refinancing Indebtedness shall not exceed the principal amount of and accrued but unpaid interest on the Indebtedness being refinanced (plus the amount of reasonable refinancing fees and expenses incurred in connection with such Refinancing Indebtedness or the Indebtedness being refinanced, in each case, which is due and payable on the date of such event), and (F) Issuers and Guarantors shall furnish to Purchasers or any Purchaser Agent copies of all

material notices or demands in connection with Indebtedness received by any Issuer or Guarantor or on its behalf promptly after the receipt thereof or sent by any Issuer or Guarantor on its behalf concurrently with the sending thereof, as the case may be.

(s) Loans, Investments, Etc. Each Issuer and Guarantor shall not, and shall not permit any Subsidiary of Parent to, directly or indirectly, make any loans or advance money or property to any Person, or invest in (by capital contribution, dividend or otherwise) or purchase or repurchase the Capital Stock or Indebtedness or all or a substantial part of the assets or property of any Person, or form or acquire any Subsidiaries, or agree to do any of the foregoing, except:

(i) the endorsement of instruments for collection or deposit in the ordinary course of business;

(ii) investments in cash or Cash Equivalents (it being understood that the Issuers and Guarantors will use commercially reasonable efforts to procure that the holders of Senior Obligations (or the applicable Senior Agent), which have “possession” or “control” (within the meaning of the applicable Uniform Commercial Code) of such cash or Cash Equivalents, agree to act as agent for the Purchasers or any Purchaser Agent in order to perfect the security interest of the Purchasers or any Purchaser Agent therein;

(iii) the existing equity investments of each Issuer and Guarantor as of the date hereof in its Subsidiaries; provided, that, no Issuer or Guarantor shall have any further obligations or liabilities to make any capital contributions or other additional investments or other payments to or in or for the benefit of any of such Subsidiaries;

(iv) loans and advances by any Issuer or Guarantor to employees of such Issuer or Guarantor not to exceed the principal amount of \$220,000 in the aggregate at any time outstanding for: (A) reasonably and necessary work-related travel or other ordinary business expenses to be incurred by such employees in connection with their work for such Issuer or Guarantor and (B) reasonable and necessary relocation expenses of such employees (including home mortgage financing for relocated employees);

(v) stock or obligations issued to any Issuer or Guarantor by any Person (or the representative of such Person) in respect of Indebtedness of such Person owing to such Issuer or Guarantor in connection with the insolvency, bankruptcy, receivership or reorganization of such Person or a composition or readjustment of the debts of such Person; provided, that, the original of any such stock or instrument evidencing such obligations shall be promptly delivered to any agent acting on behalf of Purchasers, upon such agent’s request, together with such stock power, assignment or endorsement by such Issuer or Guarantor as such agent may request;

(vi) obligations of account debtors to any Issuer or Guarantor arising from Accounts which are past due evidenced by a promissory note made by such account debtor payable to such Issuer or Guarantor; provided, that, promptly upon the receipt of the original of any such promissory note by such Issuer or Guarantor, such promissory note shall be endorsed to

the order of any agent acting on behalf of Purchasers by such Issuer or Guarantor and promptly delivered such agent as so endorsed;

(vii) loans by an Issuer or Guarantor to another Issuer or Guarantor after the date hereof; provided, that,

(A) as to all of such loans, the Indebtedness arising pursuant to any such loan shall not be evidenced by a promissory note or other instrument, unless the single original of such note or other instrument is promptly delivered to any agent acting on behalf of Purchasers upon its request to hold as part of the Collateral, with such endorsement and/or assignment by the payee of such note or other instrument as such agent may require, as of the date of any such loan and after giving effect thereto, the Issuer or Guarantor making such loan shall be Solvent, and as of the date of any such loan and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing, and

(B) as to loans by a Guarantor to an Issuer, the Indebtedness arising pursuant to such loan shall be subject to, and subordinate in right of payment to, the right of Purchasers to receive the prior final payment and satisfaction in full of all of the Purchaser Obligations on terms and conditions acceptable to Majority Holders or any Purchaser Agent, promptly upon Majority Holders' or any Purchaser Agent's request, Purchasers or any Purchaser Agent shall have received a subordination agreement, in form and substance satisfactory to Majority Holders or any Purchaser Agent, providing for the terms of the subordination in right of payment of such Indebtedness of such Issuer to the prior final payment and satisfaction in full of all of the Purchaser Obligations, duly authorized, executed and delivered by such Guarantor and such Issuer, and such Issuer shall not, directly or indirectly make, or be required to make, any payments in respect of such Indebtedness prior to the end of the then current term of this Agreement; and

(viii) the loans and advances set forth on Schedule 8(s) hereto; provided, that, as to such loans and advances, Issuers and Guarantors shall not, directly or indirectly, amend, modify, alter or change the terms of such loans and advances or any agreement, document or instrument related thereto and Issuers and Guarantors shall furnish to Purchasers or any Purchaser Agent all notices or demands in connection with such loans and advances either received by any Issuer or Guarantor or on its behalf, promptly after the receipt thereof, or sent by any Issuer or Guarantor or on its behalf, concurrently with the sending thereof, as the case may be.

(t) Dividends and Redemptions. Each Issuer and Guarantor shall not, directly or indirectly, declare or pay any dividends on account of any shares of class of any Capital Stock of such Issuer or Guarantor now or hereafter outstanding, or set aside or otherwise deposit or invest any sums for such purpose, or redeem, retire, defease, purchase or otherwise acquire any shares of any class of Capital Stock (or set aside or otherwise deposit or invest any sums for such purpose) for any consideration or apply or set apart any sum, or make any other distribution (by reduction of capital or otherwise) in respect of any such shares or agree to do any of the foregoing, except that:

(i) any Issuer or Guarantor may declare and pay such dividends or redeem, retire, defease, purchase or otherwise acquire any shares of any class of Capital Stock for consideration in the form of shares of common stock (so long as after giving effect thereto no Change of Control or other Event of Default shall exist or occur and be continuing);

(ii) Issuers and Guarantors may pay dividends to the extent permitted in Section 8(u) hereof;

(iii) any Subsidiary of an Issuer or Guarantor may pay dividends to an Issuer;

(iv) Issuers and Guarantors may repurchase Capital Stock consisting of common stock held by employees pursuant to any employee stock ownership plan thereof upon the termination, retirement or death of any such employee in accordance with the provisions of such plan; provided, that, as to any such repurchase, each of the following conditions is satisfied: (A) as of the date of the payment for such repurchase and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing, (B) such repurchase shall be paid with funds legally available therefor, (C) such repurchase shall not violate any law or regulation or the terms of any indenture, agreement or undertaking to which such Issuer or Guarantor is a party or by which such Issuer or Guarantor or its or their property are bound, and (D) the aggregate amount of all payments for such repurchases in any calendar year shall not exceed \$275,000;

(v) Parent may repurchase for cash fractional shares of Capital Stock resulting from the conversion of the Notes or the exercise of the Warrants, to the extent permitted by such Securities; and

(vi) Issuers and Guarantors may pay dividends or other distributions in respect of Capital Stock or repurchase Capital Stock of Issuers or Guarantors, provided, that, (A) in no event shall the aggregate amount paid in respect of all such dividends, other distributions or repurchases exceed \$22,000,000, and (B) as of the date of any such payment and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing.

(u) Transactions with Affiliates. Each Issuer and Guarantor shall not, directly or indirectly:

(i) purchase, acquire or lease any property from, or sell, transfer or lease any property to, any officer, director or other Affiliate of such Issuer or Guarantor, except in the ordinary course of and pursuant to the reasonable requirements of such Issuer's or Guarantor's business (as the case may be) and upon fair and reasonable terms no less favorable to such Issuer or Guarantor than such Issuer or Guarantor would obtain in a comparable arm's length transaction with an unaffiliated Person; or

(ii) make any payments (whether by dividend, loan or otherwise) of management, consulting or other fees for management or similar services, or of any Indebtedness owing to any officer, employee, shareholder, director or any other Affiliate of such Issuer or Guarantor, except (A) reasonable compensation to officers, employees and directors for services rendered to such Issuer or Guarantor, including, reasonable and customary directors and officers insurance policies or reasonable and customary indemnity arrangements with the members of its

board of directors and officers, indemnifying such Persons for actions taken on behalf of Issuers or their Subsidiaries, (B) reasonable compensation to employees for services rendered to such Issuer or Guarantor as set forth in employment contracts between such Issuer or Guarantor and such employees, in each case in the ordinary course of business and (C) payments in respect of Indebtedness constituting Purchaser Obligations.

(v) Compliance with ERISA. Each Issuer and Guarantor shall, and shall cause each of its ERISA Affiliates to: (A) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal and State law; (B) cause each Plan which is qualified under Section 401(a) of the Code to maintain such qualification; (C) not terminate any Pension Plan so as to incur any material liability to the PBGC; (D) not allow or suffer to exist any prohibited transaction involving any Plan or any trust created thereunder which would subject such Issuer, Guarantor or such ERISA Affiliate to a material tax or other liability on prohibited transactions imposed under Section 4975 of the Code or ERISA; (E) make all required contributions to any Plan which it is obligated to pay under Section 302 of ERISA, Section 412 of the Code or the terms of such Plan; (F) not allow or suffer to exist any accumulated funding deficiency, unless waived, with respect to any such Pension Plan; (G) not engage in a transaction that would be subject to Section 4069 or 4212(c) of ERISA; and (H) not allow or suffer to exist any occurrence of a reportable event or any other event or condition which presents a material risk of termination by the PBGC of any Plan that is a single employer plan, which termination would result in any material liability to the PBGC.

(w) End of Fiscal Years; Fiscal Quarters. Each Issuer and Guarantor shall, for financial reporting purposes, cause its, and each of its Subsidiaries' (i) fiscal years to end on December 31 of each year and (ii) fiscal quarters to end on March 31, June 30, September 30 and December 31 of each year.

(x) Change in Business. Each Issuer and Guarantor shall not engage in any business other than the business of such Issuer or Guarantor on the date hereof and any business reasonably related, ancillary or complimentary to the business in which such Issuer or Guarantor is engaged on the date hereof.

(y) Limitation of Restrictions Affecting Subsidiaries. Each Issuer and Guarantor shall not, directly or indirectly, create or otherwise cause or suffer to exist any Encumbrance or restriction which prohibits or limits the ability of any Subsidiary of such Issuer or Guarantor to (i) pay dividends or make other distributions or pay any Indebtedness owed to such Issuer or Guarantor or any Subsidiary of such Issuer or Guarantor; (ii) make loans or advances to such Issuer or Guarantor or any Subsidiary of such Issuer or Guarantor, (iii) transfer any of its properties or assets to such Issuer or Guarantor or any Subsidiary of such Issuer or Guarantor; or (iv) create, incur, assume or suffer to exist any lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than Encumbrances and restrictions arising under (A) applicable law, (B) this Agreement, (C) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of such Issuer or Guarantor or any Subsidiary of such Issuer or Guarantor, (D) customary restrictions on dispositions of real property interests found in reciprocal easement agreements of such Issuer or Guarantor or any Subsidiary of such Issuer or Guarantor, (E) any agreement relating to permitted Indebtedness incurred by a Subsidiary of such Issuer or Guarantor prior to the date on which such Subsidiary

was acquired by such Issuer or such Guarantor and outstanding on such acquisition date, and (F) the extension or continuation of contractual obligations in existence on the date hereof; provided, that, any such Encumbrances or restrictions contained in such extension or continuation are no less favorable to Purchasers than those Encumbrances and restrictions under or pursuant to the contractual obligations so extended or continued.

(z) License Agreements. Each Issuer and Guarantor shall (i) promptly and faithfully observe and perform all of the material terms, covenants, conditions and provisions of the material License Agreements to which it is a party to be observed and performed by it, at the times set forth therein, if any, (ii) not do, permit, suffer or refrain from doing anything that would reasonably be expected to result in a default under or breach of any of the terms of any material License Agreement, and (iii) not cancel, surrender, modify, amend, waive or release any material License Agreement in any material respect or any term, provision or right of the licensee thereunder in any material respect, or consent to or permit to occur any of the foregoing; except, that such Issuer or Guarantor may cancel, surrender or release any material License Agreement in the ordinary course of the business of such Issuer or Guarantor so long as such Issuer or Guarantor complies with any other terms and conditions set forth in the Financing Agreements, the Supplemental Loan LC Documents and/or the Senior Debt Documents.

(aa) Restrictive Agreements. The Issuers and the Guarantors will not, and will not permit any of the Subsidiaries of Parent to, enter into any contract, agreement or other arrangement if the effect of the foregoing is to (i) restrict the Issuers and/or the Guarantors from making amendments or modifications to this Agreement or any of the other Purchaser Documents other than amendments or modifications that (A) increase the maximum principal amount of the Notes or rate of interest on any of the Notes (except the principal amount of the Notes may be increased due to non-cash in kind payments of interest on the Notes permitted hereunder (whether such payments are made by adding such interest to the principal amounts of the Notes or by issuing a new Note)), (B) shorten the dates upon which payments of principal or interest on the Notes are due, (C) change in any manner adverse to the Issuers any redemption or prepayment provisions of the Purchaser Obligations, (D) alter the terms of Section 22 hereof or (E) change or add any covenant such that it would be more restrictive than the covenants set forth in this Agreement, or (ii) expressly limit the Issuers' ability to pay (w) regularly scheduled payments of interest under the Notes, (x) scheduled payments of principal at maturity, (y) payments of Costs and Expenses in accordance with Section 15 hereof, and (z) payments of indemnities in accordance with Section 13 hereof.

(bb) Post-Closing Collateral Matters. Promptly, but in any event within sixty (60) days following the Closing Date, the Issuers and the Guarantors hereby agree to work with the Purchasers in good faith to negotiate, prepare and enter into new documentation (the "Replacement Security Documents") providing for the grant directly to the Purchasers or any Purchaser Agent (for the benefit of the Purchasers) of Encumbrances on all of the Collateral in which an Encumbrance has been granted in favor of, or for the benefit of, the Purchasers pursuant to Amendment No. 4 and the other Financing Agreements. The Replacement Security Documents shall be in form and substance satisfactory to the Majority Holders; provided, however, the Replacement Security Documents shall not be required to contain any terms or provisions that are more favorable in any respect (either individually as to corresponding terms and provisions or taken as a whole) to the Purchasers than the terms and provisions set forth in

the Loan Agreement (as in effect on the date hereof and after giving effect to Amendment No. 4) that are for the benefit of the Loan Agreement Agent and the Lenders other than (i) immaterial changes that arise out of, or relate to, the fact that the Replacement Security Documents are different in form and style from, or use different conventions than the conventions used in, the Loan Agreement (as in effect on the date hereof and after giving effect to the Amendment No. 4) and (ii) changes that are necessary or required to properly create or perfect the Encumbrances provided by, or that are contemplated to be provided by, the Replacement Security Documents. All such Encumbrances created under and granted pursuant to the Replacement Security Documents shall constitute valid and enforceable perfected Encumbrances subject to no other Encumbrances except for the Encumbrances set forth on Schedule 8g hereto (the “Permitted Encumbrances”). In connection with the negotiation, preparation and execution of the Replacement Security Documents, and the consummation of the transactions contemplated thereby, the Issuers and the Guarantors shall cooperate with, and shall undertake all such reasonable actions that are necessary or desirable to assist, the Purchasers in retaining a Purchaser Agent to address or handle matters related to the Replacement Security Documents, the Collateral and any other administrative duties and responsibilities that the Purchasers may request such Purchaser Agent to perform. Without limiting the generality of the foregoing, the Issuers and the Guarantors shall enter into all such agreements, arrangements and other undertakings that any Purchaser Agent may reasonably request in connection with the performance of its duties and responsibilities, including without limitation, providing such Purchaser Agent with rights to indemnification, exculpation and expense reimbursement. All fees, costs and expenses of any Purchaser Agent shall be borne solely by the Issuers. The Issuers and the Guarantors agree to take all actions necessary or, in the opinion of the Purchasers or any Purchaser Agent, desirable to perfect, preserve and protect the Encumbrances created by the Replacement Security Documents. Concurrently with the perfection of the Encumbrances created under the Replacement Security Documents, the Purchasers agree to consent to the release by the Loan Agreement Agent of the Encumbrances created in favor of the Loan Agreement Agent for the benefit of the Purchasers pursuant to Amendment No. 4 and the other Financing Agreements; provided that each of the following conditions is satisfied (any of which may be waived by the Purchasers in their discretion):

(i) The Purchasers or any Purchaser Agent shall have received all such Uniform Commercial Code financing statement, pending suit, fixture filing, federal and state tax lien and judgment searches as the Purchasers or any Purchaser Agent shall have requested of the Issuers and the Guarantors, and such termination statements or other documents as may be necessary to confirm that the Collateral is subject to no other Encumbrance in favor of any Person (other than the Permitted Encumbrances);

(ii) The Purchasers or any Purchaser Agent shall have received from counsel to the Issuers and the Guarantors, opinions addressed to each Purchaser and any Purchaser Agent covering the matters incident to the transactions contemplated by the Replacement Security Documents as the Purchasers or any Purchaser Agent may reasonably request and such opinions shall be in form and substance satisfactory to the Purchasers;

(iii) On or prior to the date of execution and delivery of the Replacement Security Documents, nothing shall have occurred (and Purchasers shall not have

become aware of any facts or conditions not previously known) which the Purchasers shall determine has had, or could reasonably be expected to have, a Material Adverse Effect;

(iv) On the date of execution and delivery of the Replacement Security Documents, no Default or Event of Default shall exist;

(v) The Purchasers shall have received, in form and substance satisfactory to the Purchasers, such other instruments, documents and certificates (including the certificates listed and described on Schedule 4 hereto) as the Purchasers may reasonably request, duly executed, or other approvals and opinions as the Purchasers may request;

(vi) The Purchasers, any Purchaser Agent and the Loan Agreement Agent (in existence on the Closing Date) shall have entered into an intercreditor agreement (the "Replacement Intercreditor Agreement") in form and substance satisfactory to the Purchasers;

(vii) The Issuers and the Guarantors shall have entered into an amendment to this Agreement or amended and restated this Agreement to make all such changes to the terms of this Agreement that are necessary or, in the opinion of the Purchasers or any Purchaser Agent, desirable to reflect the execution and delivery of the Replacement Security Documents and the other documents entered into in connection therewith, and the consummation of the transactions contemplated thereby;

(viii) The Issuers and the Guarantors shall have caused Chicago Title Insurance Company to issue, at the sole expense of the Issuers and the Guarantors, a lender's title insurance policy in form and substance acceptable to the Purchasers. Such title policy shall contain such endorsements and affirmative insurance as the Majority Holders may reasonably require; and

(ix) The Issuers and the Guarantors shall have paid to the Purchasers all Costs and Expenses (including, without limitation, reasonable legal fees and expenses) incurred by the Purchasers in connection with the transactions contemplated by the Replacement Security Documents (to the extent that such Costs and Expenses exceed the amounts paid to the Purchasers pursuant to Section 3(a)) and the costs, fees and expenses of any Purchaser Agent.

(cc) Other Post-Closing Matters. Promptly, but in any event within 30 days following the date hereof, the Issuers and the Guarantors shall deliver to the Purchasers in form and substance satisfactory to the Purchasers:

(i) an updated endorsement to the existing title policies issued in favor of the Loan Agreement Agent;

(ii) favorable opinions of local counsel for the Issuers in jurisdictions in which the Mortgages are located, including, among other things, opinions with respect to the enforceability and perfection of the Mortgages and any related fixture filings; and

(iii) favorable opinions of appropriate counsel for the Issuers with respect to the amendments to each of the Burnside Mortgages, including, among other things, opinions with respect to the enforceability and perfection of the Burnside Mortgages.

SECTION 9. Events of Default and Remedies. The occurrence of any one or more of following shall be an “Event of Default” under this Agreement:

(a) (i) any Issuer fails to pay any of the Purchaser Obligations when due, (ii) any Issuer or Guarantor fails to perform any of the covenants contained in Section 8 of this Agreement (other than Sections 8(a), 8(m), 8(n), 8(o), 8(v), 8(w), 8(x), 8(y) and 8(z) of this Agreement, (iii) any Issuer or Guarantor fails to perform any of the covenants contained in Section 8(a) and such failure shall continue for ten (10) days after the occurrence of such failure or (iv) any Issuer or Guarantor fails to perform any of the terms, covenants, conditions or provisions contained in this Agreement or any of the other Purchaser Documents other than those described in Sections 9(a)(i), 9(a)(ii) and 9(a)(iii) above and such failure referred to in this Section 9(a)(iv) shall continue for thirty (30) days after notice thereof from any Purchaser Agent or Purchaser;

(b) any representation, warranty or statement of fact made by any Issuer or Guarantor to the Purchasers in this Agreement (including any representations and warranties that are incorporated herein by reference), the other Purchaser Documents or any other written agreement, schedule or confirmatory assignment shall when made or deemed made be false or misleading in any material respect;

(c) any Guarantor revokes or terminates or purports to revoke or terminate or fails to perform any of the terms, covenants, conditions or provisions of any guarantee, endorsement or other agreement of such party in favor of any Purchaser;

(d) (i) any judgment for the payment of money is rendered against any Issuer or Guarantor (A) in any one case in excess of \$2,500,000 or (B) in the aggregate in excess of \$3,500,000 (to the extent not covered by insurance where the insurer has assumed responsibility in writing for such judgment) and shall remain unstayed, undischarged or unvacated for a period in excess of thirty (30) days or execution shall at any time not be effectively stayed, or (ii) any judgment other than for the payment of money, or injunction, attachment, garnishment or execution is rendered against any Issuer or Guarantor or any of the Collateral having a value in excess of \$2,500,000;

(e) any Issuer or Guarantor makes an assignment for the benefit of creditors, makes or sends notice of a bulk transfer or calls a meeting of its creditors or principal creditors in connection with a moratorium or adjustment of the Indebtedness due to them;

(f) a case or proceeding under the bankruptcy laws of the United States of America now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity) is filed against any Issuer or Guarantor or all or any part of its properties and such petition or application is not dismissed within forty-five (45) days after the date of its filing or any Issuer or Guarantor shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested is granted sooner;

(g) a case or proceeding under the bankruptcy laws of the United States of America now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or equity) is filed by any Issuer or Guarantor or for all or any part of its property;

(h) any default in respect of any Indebtedness of any Issuer or Guarantor (other than Indebtedness owing to the Purchasers hereunder), in any case in an amount in excess of \$250,000, which default continues for more than the applicable cure period, if any, with respect thereto, and which default (i) is a payment default or (ii) causes such Indebtedness to become or be declared due prior to its stated maturity;

(i) any material provision hereof or of any of the other Purchaser Documents shall for any reason cease to be valid, binding and enforceable with respect to any party hereto or thereto (other than the Purchasers or any Purchaser Agent) in accordance with its terms, or any such party shall challenge the enforceability hereof or thereof, or shall assert in writing, or take any action or fail to take any action based on the assertion that any provision hereof or of any of the other Purchaser Documents has ceased to be or is otherwise not valid, binding or enforceable in accordance with its terms, or any Encumbrance provided for in Amendment No. 4 or in any of the Financing Agreements that are in favor of, or for the benefit of, the Purchasers or any Purchaser Agent, or in any of the Purchaser Documents shall cease to be a valid and perfected Encumbrance in any of the Collateral purported to be subject thereto (except as otherwise permitted herein or therein);

(j) the indictment by any Governmental Authority of any Issuer or Guarantor of which any Issuer or Guarantor receives notice, in either case, as to which there is a reasonable possibility of an adverse determination, in the good faith determination of the Majority Holders, under any criminal statute, or commencement of criminal or civil proceedings against such Issuer or Guarantor, pursuant to which statute or proceedings the penalties or remedies sought or available include forfeiture of (i) any of the Collateral having a value in excess of \$1,000,000 or (ii) any other property of any Issuer or Guarantor which is necessary or material to the conduct of its business; or

(k) there shall be an event of default under any of the other Purchaser Documents.

If an Event of Default under Section 9(f) or Section 9.1(g) shall occur, the Notes and all other Purchaser Obligations (including, without limitation, all principal, interest, fees, make-whole amounts, premiums and the value for the loss of the right to convert the Notes) shall automatically become due and payable. Upon the occurrence of any other Event of Default, and at any time thereafter, if such Event of Default shall then be continuing, the Required Holders may (x) by written notice to the Issuers, declare due and payable the principal of, premium, if any, and interest on, the Notes and all other Purchaser Obligations, whereupon the same shall be immediately due and payable and (y) exercise any other remedies which may be available under the Purchaser Documents or applicable law (including specific performance of any covenant or agreement contained herein or for the enforcement of any other appropriate legal or equitable remedy). In the event that the Notes become or are declared due and payable prior to their stated maturity, the same shall become due and

payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

SECTION 10. Amendments and Waivers. The provisions of this Agreement may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to by the Issuers and the Majority Holders; provided, however, that no such amendment, modification or waiver shall:

(a) modify this Section 10 without the consent of all Purchasers holding Notes;

(b) reduce the principal amount of or rate of interest on or premium payable with respect to any Purchaser's Notes or extend the date on which interest, fees or premiums are payable in respect of any Purchaser's Notes, in each case, without the consent of such Purchaser (it being understood and agreed, however, that any vote to rescind any acceleration of the Notes made pursuant to the penultimate sentence in Section 9 shall only require the vote of the Required Holders electing to accelerate);

(c) establish any new obligations for any Purchaser holding a Note without the consent of such Purchaser;

(d) change the percentage set forth in the definition of "Majority Holders", change the percentage set forth in the definition of "Required Holders" or modify any requirement hereunder that any particular action be taken by all Purchasers holding Notes without the consent of all such Purchasers;

(e) change the definition of "Designated Holder" without the consent of each of the Purchasers as of the Closing Date;

(f) modify any provision set forth in this Agreement relating to the rights or obligations or any Purchaser Agent in its specific capacity as such (as opposed to the rights or obligations of the Purchasers or any Purchaser Agent generally) without the consent of the Purchaser Agent affected thereby; or

(g) except as otherwise expressly provided in a Purchaser Document, release any of the Issuers or any of the Guarantors (other than an Immaterial Subsidiary) from the Purchaser Obligations, in each case without the consent of all Purchasers holding Notes.

SECTION 11. Notices.

(a) All notices, requests and demands hereunder shall be in writing and shall be deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next Business Day, one (1) Business Day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. Notices delivered through electronic communications shall be effective to the extent set forth in Section 11(b) hereof. All notices, requests and demands upon the parties are to be given to the following addresses or facsimile numbers (or to

such other address or facsimile number as any party may designate by notice in accordance with this Section);

If to any Issuer or Guarantor:

Ormet Corporation  
43840 State Route 7  
Hannibal, Ohio 43931  
Attention: Chief Financial Officer  
Telephone No.: 740-453-2778  
Facsimile No.: 740-483-2658

with a copy to:

Reed Smith LLP  
435 Sixth Avenue  
Pittsburgh, Pennsylvania 15219  
Attention: Alan E. London, Esq.  
Telephone No.: 412-288-3120  
Facsimile No.: 412-288-3131

If to any Purchaser, at such Purchaser's address or facsimile number set forth on Exhibit A hereto or in the Transfer Notice delivered by such Purchaser to the Issuers pursuant to Section 14 upon a transfer of Securities, or to such other address or facsimile number as such Purchaser shall specify in writing to the Issuers. The Issuers shall maintain registers of the Purchasers which shall contain the last address and facsimile number specified as provided in the preceding sentence.

(b) Unless a Purchaser otherwise requires, (i) notices and other communications sent to an e-mail address provided by such Purchaser as hereinabove provided shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided, that, if such notice or other communication is not given during the normal business hours of the recipient, such notice shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) If the Purchasers retain a Purchaser Agent to receive notices on behalf of the Purchasers, then any notice, request or demand required to be given to the Purchasers under this Agreement or any of the other Purchaser Documents may be given to the Purchaser Agent (in the manner set forth in this Section 11) in lieu of giving such notice, request or demand directly to the Purchasers, and delivery of any such notice, request or demand to such Purchaser Agent shall be deemed to be effective delivery thereof to the Purchasers; provided, however, that for purposes of determining when any such notice, request or demand is deemed to be given or made for purposes of this Section 11, two (2) Business Days shall be added to the number of days or Business Days specified in Section 11(a).

SECTION 12. No Waiver: Remedies. No failure on the part of a Purchaser or any Purchaser Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

SECTION 13. Indemnification. The Issuers and the Guarantors hereby agree to indemnify and hold harmless each of the Purchasers and any Purchaser Agent, and the officers, directors, employees and counsel of each of the Purchasers and any Purchaser Agent (collectively, the “Indemnitees”) from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys’ fees and expenses) imposed on, incurred by or asserted against any of them by, on behalf of, or in favor of, any third party (including any Governmental Authority) in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation, preparation, execution, delivery, enforcement, performance or administration of this Agreement, any other Purchaser Document, or any undertaking or proceeding related to any of the transactions contemplated hereby or thereby, or any act, omission, event or transaction related or attendant thereto, including amounts paid in settlement, court costs, and the reasonable fees and expenses of counsel, except that the Issuers and the Guarantors shall not have any obligation under this Section 13 to indemnify an Indemnitee with respect to a matter covered hereby resulting from the gross negligence or willful misconduct of such Indemnitee as determined pursuant to a final, non-appealable order of a court of competent jurisdiction (but without limiting the obligations of the Issuers and the Guarantors as to any other Indemnitee). To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, the Issuers and the Guarantors shall pay the maximum portion which they are permitted to pay under applicable law to the Indemnitee in satisfaction of indemnified matters under this Section. To the extent permitted by applicable law, no Issuer or Guarantor shall assert, and each Issuer and Guarantor hereby waives, any claim against any Indemnitee, on any theory of liability for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Purchaser Documents or any undertaking or transaction contemplated hereby. No Indemnitee referred to above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or any of the other Purchaser Documents or the transactions contemplated hereby or thereby. All amounts due under this Section shall be payable upon demand. The foregoing indemnity shall survive the payment of the Purchaser Obligations and the termination of this Agreement.

SECTION 14. Restrictions on Transfer; Restrictive Legends.

(a) Subject only to compliance with the requirements of Section 14(b), each Purchaser shall be entitled to assign and transfer all or any part of its Securities, or any interest or participation therein, and its related rights under the Purchaser Documents to any Person. Upon the assignment or transfer by such Purchaser of all or any part of its Securities or its interest therein (except in a public offering registered under the Securities Act, or a sale pursuant to Rule 144 thereunder), the term “Purchaser” as used herein shall thereafter include, to the extent of the interest so assigned or transferred, the assignee or transferee of such interest. For purposes of

this Section 14, the term “Securities” shall include the Notes, the Warrants, the Conversion Shares and the Warrant Shares.

(b) Prior to any transfer of any Securities, the holder thereof shall be required to give written notice to the Issuers describing in reasonable detail the Securities (or the interest or participation therein) to be transferred and the identity of the proposed transferee (including such transferee’s notice information for purposes of Section 11 hereof) (the “Transfer Notice”), accompanied by, if requested by the Issuers, an opinion of counsel reasonably acceptable to the Issuers, addressed to the Issuers (or only to Parent in the case of the transfer of a Warrant, Conversion Shares or Warrant Shares), that such transfer may be effected without registration of such Securities under the Securities Act.

(c) Each Note and each certificate for Conversion Shares, as applicable, issued to the Purchasers shall bear a legend in substantially the following form:

THIS NOTE AND THE UNDERLYING SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF THIS NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY OTHER SECURITIES LAWS. THIS NOTE AND THE UNDERLYING SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF THIS NOTE MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF SUCH SECURITIES UNDER THE ACT AND ANY OTHER APPLICABLE SECURITIES LAW, OR RECEIPT BY THE ISSUER(S) OF SUCH SECURITIES OF AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO SUCH ISSUER(S) THAT SUCH SALE OR TRANSFER OF SUCH SECURITIES IS EXEMPT FROM REGISTRATION UNDER THE ACT.

(d) Each Warrant and each certificate for Warrant Shares, as applicable, issued to the Purchasers shall bear a legend in substantially the following form:

THIS WARRANT AND THE UNDERLYING SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY OTHER SECURITIES LAWS. THIS WARRANT AND THE UNDERLYING SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF SUCH SECURITIES UNDER THE ACT AND ANY OTHER APPLICABLE SECURITIES LAW, OR RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE COMPANY THAT SUCH SALE OR TRANSFER OF SUCH SECURITIES IS EXEMPT FROM REGISTRATION UNDER THE ACT.

(e) The restrictions imposed by this Section 14 upon the transferability of Securities shall terminate as to any particular Securities when such Securities shall have been effectively registered under the Securities Act or transferred pursuant to Rule 144 under the

Securities Act. Whenever any of such restrictions shall terminate as to any Securities, the holder thereof shall be entitled to receive from the Issuers (or Parent in case of a Warrant, Conversion Shares or Warrant Shares), at the Issuers' (or Parent's) expense, new Securities without such legends.

(f) The Issuers will at any time, at their expense, at the request of a Purchaser holding a Note, and upon surrender of such Note for such purpose, issue a new Note or Notes in exchange therefor, payable to the order of the Purchaser or such Person or Persons as may be designated by such Purchaser, dated the last date to which interest has been paid on the surrendered Note, or, if such exchange shall take place prior to the due date of the first interest payment, the Closing Date, in such denominations as may be requested, in an aggregate principal amount equal to the unpaid principal amount of the Note so surrendered and substantially in the form of such Note with appropriate revisions. Upon such exchange the term "Note" as used herein shall include such new Note or Notes.

SECTION 15. Costs, Expenses and Taxes. The Issuers agree to pay on demand all reasonable costs and expenses (including, without limitation, reasonable legal fees) of the Purchasers and any Purchaser Agent in connection with the preparation, negotiation, execution and delivery of this Agreement and the other Purchaser Documents, and the consummation of the transactions contemplated hereby and thereby (including, without limitation, the consummation of any of the transactions contemplated by Sections 8(bb) and 8(cc)), and any amendments or modifications of any of the foregoing, or in connection with the examination, review or administration of any of the foregoing, as well as the reasonable costs and expenses (including, without limitation, the reasonable fees and expenses of legal counsel) incurred by any of the Purchasers or any Purchaser Agent in connection with interpreting, administering, preserving, enforcing or exercising any rights or remedies under this Agreement or any of the other Purchaser Documents, and any other documents which may be delivered in connection with this Agreement or any of the other Purchaser Documents, all whether or not legal action is instituted. The Issuers further agree to pay, and to save the Purchasers and any Purchaser Agent harmless from, any and all brokers' fees, investment bankers' fees and the like, which may be asserted in connection with any of the transactions contemplated by this Agreement or any of the other Purchaser Documents and, following the occurrence and during the continuance of an Event of Default, fees of an appraiser and/or accountant in connection with the enforcement of any of the Purchaser Documents or the exercise or preservation of any of the Purchasers' rights or remedies thereunder (including any of the foregoing in connection with a Proceeding). The payment and reimbursement obligations of the Issuers set forth in this Section 15 shall survive the payment of the Purchaser Obligations and termination of this Agreement. All of the fees, costs and expenses described in this Section 15 are referred to herein, collectively, as the "Costs and Expenses".

SECTION 16. Severability. (a) Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

(b) All agreements between the Issuers and the Purchasers are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the Purchaser Obligations or otherwise, shall the amount paid or agreed to be paid to the Purchasers for the use or the forbearance of any Indebtedness exceed the maximum permissible under applicable law. In this regard, it is expressly agreed that it is the intent of the Issuers and the Purchasers, in the execution, delivery and acceptance of this Agreement, to contract in strict compliance with the laws of the State of New York. If, under any circumstances whatsoever, performance or fulfillment of any provision of this Agreement or any of the other Purchaser Documents at the time such provision is to be performed or fulfilled shall involve exceeding the limit of validity prescribed by applicable law, then the obligation so to be fulfilled shall be reduced automatically to the limits of such validity, and if under any circumstances whatsoever any Purchaser should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance of the Notes held by such Purchaser and not to the payment of interest. The provisions of this Section shall control every other provision of this Agreement and of the other Purchaser Documents.

SECTION 17. Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

(a) **GOVERNING LAW. THIS AGREEMENT WILL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

(b) **FORUM SELECTION AND CONSENT TO JURISDICTION. ANY LITIGATION OR OTHER PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE PARTIES HERETO RELATING TO THIS AGREEMENT SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE SUPREME COURT, NEW YORK COUNTY (AND, WHERE APPLICABLE, IN THE COMMERCIAL DIVISION THEREOF) OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY CERTIFIED MAIL, POSTAGE PREPAID OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK AT THE ADDRESS FOR NOTICES SPECIFIED IN SECTION 11. EACH PARTY HERETO HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION OR OTHER PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT ANY PARTY HERETO HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT REFERRED TO ABOVE**

**OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PARTY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT.**

**(c) WAIVER OF JURY TRIAL; CERTAIN DAMAGES. EACH PARTY HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION OR OTHER PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE PARTIES HERETO. EXCEPT AS PROHIBITED BY LAW, EACH PARTY HERETO HEREBY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO CLAIM OR RECOVER IN ANY SUCH LITIGATION OR OTHER PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES.**

SECTION 18. Guarantees.

(a) Each Guarantor hereby agrees that such Guarantor is jointly and severally liable for, and hereby absolutely and unconditionally guarantees to each Purchaser, any Purchaser Agent and their respective successors and assigns, the full and prompt payment (whether at stated maturity, by acceleration or otherwise) and performance of, all Purchaser Obligations owed or hereafter owing to such Purchaser, Purchaser Agent, successor or assign by the Issuers and the Guarantors. Each Guarantor agrees that its guaranty obligation hereunder is a continuing guaranty of payment and performance and not of collection, and that its obligations under this Section 18 shall be absolute and unconditional, irrespective of and unaffected by,

(i) the genuineness, validity, regularity, enforceability or any future amendment of, or change in, this Agreement, any of the other Purchaser Documents, any Senior Debt Document or any other agreement, document or instrument to which any Issuer and Guarantor is or may become a party;

(ii) the absence of any action to enforce this Agreement (including this Section 18) or any of the other Purchaser Documents or the waiver or consent by the Purchasers or any Purchaser Agent with respect to any of the provisions hereof or thereof;

(iii) the existence, value or condition of, or failure to perfect its security interests against, any security for the Purchaser Obligations or any action, or the absence of any action, by the Senior Agent, any Purchaser Agent or any of the Purchasers in respect thereof (including the release of any such security);

(iv) the insolvency of any Issuer or Guarantor; or

(v) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor,

it being agreed by each Guarantor that its obligations under this Section 18 shall not be discharged until the payment and performance, in full, in cash of the Purchaser Obligations has occurred. Each Guarantor shall be regarded, and shall be in the same position, as principal debtor with respect to the Purchaser Obligations guaranteed hereunder.

(b) Waiver by Guarantors. Each Guarantor waives all rights it may have now or in the future under any statute, or at common law, or at law or in equity, or otherwise, to compel the Purchasers or any Purchaser Agent to marshal assets or to proceed in respect of the Purchaser Obligations guaranteed hereunder against any other Issuer or Guarantor, any other party or against any security for the payment and performance of the Purchaser Obligations before proceeding against, or as a condition to proceeding against, such Guarantor. It is agreed among each Issuer, Guarantor and Purchaser that the foregoing waivers are of the essence of the transaction contemplated by this Agreement and the other Purchaser Documents and that, but for the provisions of this Section 18 and such waivers, the Purchasers would decline to enter into this Agreement.

(c) Benefit of Guaranty. Each Guarantor agrees that the provisions of this Section 18 are for the benefit of each Purchaser, any Purchaser Agent and their respective successors, transferees, endorsees and assigns, and nothing herein contained shall impair, as between the Guarantors and the Purchasers, the obligations of the Guarantors under this Agreement or any of the other Purchaser Documents.

(d) Subordination/Subrogation. Notwithstanding anything to the contrary in this Agreement or in any of the other Purchaser Documents, each Guarantor hereby expressly and irrevocably subordinates to payment of the Purchaser Obligations any and all rights at law or in equity to subrogation, reimbursement, exoneration, contribution, indemnification or set off and any and all defenses available to a surety, guarantor or accommodation co-obligor until the Purchaser Obligations are indefeasibly paid in full in cash. Each Guarantor acknowledges and agrees that this subordination is intended to benefit the Purchasers and any Purchaser Agent and shall not limit or otherwise affect such Guarantor's liability hereunder or the enforceability of this Section 18, and that each Purchaser, any Purchaser Agent and their respective successors and assigns are intended third party beneficiaries of the waivers and agreements set forth in this Section 18.

(e) Election of Remedies. Each Purchaser and any Purchaser Agent may, under applicable law, proceed to realize its benefits under any other documents which may be delivered in connection with this Agreement. Each Purchaser and any Purchaser Agent may, at its sole option, determine which of its remedies or rights it may pursue without affecting any of its rights and remedies under this Section 18. If, in the exercise of any of its rights and remedies, a Purchaser or any Purchaser Agent shall forfeit any of its rights or remedies, including its right to enter a deficiency judgment against any Guarantor or any other Person, whether because of any applicable laws pertaining to "election of remedies" or the like, each Guarantor hereby consents to such action by such Purchaser or Purchaser Agent and waives any claim based upon such action, even if such action by such Purchaser or Purchaser Agent shall result in a full or partial loss of any rights of subrogation which each Guarantor might otherwise have had but for such action by such Purchaser or Purchaser Agent. Any election of remedies which results in the denial or impairment of the right of a Purchaser or any Purchaser Agent to seek a deficiency

judgment against any Guarantor shall not impair any other Guarantor's obligation to pay the full amount of the Purchaser Obligations. If a Purchaser or any Purchaser Agent shall bid at any foreclosure or trustee's sale or at any private sale permitted by law or any other documents which may be delivered in connection with this Agreement, such Purchaser or Purchaser Agent may bid all or less than the amount of the Purchaser Obligations and the amount of such bid need not be paid by such Purchaser or Purchaser Agent but shall be credited against the Purchaser Obligations owed to such Purchaser or Purchaser Agent. The amount of the successful bid at any such sale, whether a Purchaser, Purchaser Agent or any other party is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral and the difference between such bid amount and the remaining balance of the Purchaser Obligations owed to such Purchaser or Purchaser Agent shall be conclusively deemed to be the amount of the Purchaser Obligations owed to such Purchaser or Purchaser Agent guaranteed under this Section 18, notwithstanding that any present or future law or court decision or ruling may have the effect of reducing the amount of any deficiency claim to which such Purchaser or Purchaser Agent might otherwise be entitled but for such bidding at any such sale.

(f) Contribution with Respect to Guaranty of Purchaser Obligations. To the extent that any Guarantor shall make a payment under this Section 18 of all or any of the Purchaser Obligations (other than loans made to that Guarantor for which it is primarily liable, if any) (a "Guarantor Payment") which, taking into account all other Guarantor Payments then previously or concurrently made by any other Guarantor, exceeds the amount which such Guarantor would otherwise have paid if each Guarantor had paid the aggregate Purchaser Obligations satisfied by such Guarantor Payment in the same proportion that such Guarantor's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to, the aggregate Allocable Amounts of each of the Guarantors as determined immediately prior to the making of such Guarantor Payment, then, following indefeasible payment in full in cash of the Purchaser Obligations, such Guarantor shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Guarantor for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(g) As of any date of determination, the "Allocable Amount" of any Guarantor shall be equal to the maximum amount of the claim which could then be recovered from such Guarantor under this Section 18 without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or other statute or common law in any jurisdiction.

(h) This Section 18 is intended only to define the relative rights of Guarantors and nothing set forth in this Section 18 is intended to or shall impair the obligations of Guarantors, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Agreement. Nothing contained in this Section 18 shall limit the liability of any Guarantor to pay the loan made directly or indirectly to that Guarantor and accrued interest, fees and expenses with respect thereto for which such Guarantor shall be primarily liable.

(i) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Guarantor to which such contribution and indemnification are owing.

(j) The rights of the indemnifying Guarantor against other Guarantors under this Section 18 shall be exercisable upon the full and indefeasible payment of the Purchaser Obligations.

(k) Liability Cumulative. The liability of each Guarantor under this Section 18 is in addition to, and shall be cumulative with, all liabilities of each Guarantor and each Issuer to the Purchasers and any Purchaser Agent under this Agreement and the other Purchaser Documents to which each is a party or in respect of any Purchaser Obligations or obligation of the other Guarantors, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

#### SECTION 19. Miscellaneous.

(a) Several Obligations. The Purchasers shall not be jointly obligated hereunder; their obligations are several. The sales of the Notes and Warrants to the Purchasers shall be deemed separate sales to each Purchaser.

(b) Loss, Theft, Destruction and Mutilation of Securities. Upon receipt by the Issuers of notice of the loss, theft, destruction or mutilation of any Security, and upon surrender or cancellation of such Security, if mutilated, the Issuers (or the Parent in case of a Warrant) shall make and deliver a new Security of like tenor in lieu of the lost, stolen, destroyed or mutilated Security.

(c) Counterparts. This Agreement may be executed in two or more counterparts (including by facsimile), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(d) Headings; Gender. The descriptive headings of the Sections of this Agreement are inserted for convenience only and shall not affect the meaning, construction or interpretation of any of the provisions hereof. The use of the neuter form of a pronoun shall be deemed, where appropriate, to include the masculine and feminine forms of such pronoun.

(e) Survival; Right to Indemnification. All representations, warranties, covenants and obligations in the Purchaser Documents will survive the closing of the transactions contemplated by the Purchaser Documents. The right to indemnification, payment of damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of the Purchaser Documents or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment or damages, or other remedy based on such representations, warranties, covenants and obligations.

(f) Integration. This Agreement (including all Exhibits and Schedules attached hereto and any terms or provisions (including related definitions) incorporated herein by reference) and the other Purchaser Documents, together with all certificates and other documents executed and delivered in connection herewith or therewith or pursuant hereto or thereto, constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof, and supersede all prior agreements and understandings, written and oral, among the parties with respect to the subject matter hereof.

(g) Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party. This Agreement is the joint drafting product of the parties hereto and each provision has been subject to negotiation and agreement and shall not be construed for or against any party as drafter thereof.

(i) No Fiduciary Relationship. No provision of this Agreement or any of the other Purchaser Documents and no course of dealing between the parties hereto shall be deemed to create any fiduciary duty on behalf of the Purchasers and any Purchaser Agent to any of the Issuers or the Guarantors. All attorneys, accountants, appraisers, consultants and other professional Persons retained by the Purchasers (or any of them) shall have the right to act exclusively in the interest of the Purchasers (or any of them) and shall have no duty of disclosure, duty of loyalty, duty of care or other duty or obligation of any type or nature whatsoever to the Issuers or the Guarantors or to their stockholders, directors, officers or any other Person.

#### SECTION 20. Certain Rules of Construction.

(a) Without limiting the generality of the foregoing and for the avoidance of doubt, for purposes of this Agreement (except as otherwise provided herein), all references in the provisions of the Loan Agreement incorporated herein by reference in Section 7 of this Agreement to:

(i) the “Agent”, a “Lender”, the “Lenders”, the “Required Lenders”, “Secured Parties” or the “Issuing Bank” or words of similar import shall, without further reference, mean and refer to the Purchasers under this Agreement;

(ii) “this Agreement”, “hereof”, “hereto” or “hereunder” or words of similar import shall, without further reference, mean and refer to this Agreement;

(iii) any “Financing Agreement”, “thereof”, “thereto” or “thereunder” or words of similar import shall, without further reference, mean and refer to the Purchaser Documents;

(iv) the “Obligations” shall, without further reference, mean and refer to the Purchaser Obligations hereunder;

(v) each reference to a Section shall, without further reference, mean and refer to the equivalent Section as incorporated herein by reference hereunder, and if there is

no equivalent Section incorporated herein by reference such reference shall mean and refer to such Section in the Loan Agreement;

(vi) each reference to a Schedule or an Exhibit shall, without further reference, mean and refer to such Schedule or Exhibit to the Loan Agreement;

(vii) a “Borrower” or the “Borrowers” shall, without further reference, mean and refer to an Issuer or the Issuers hereunder; and

(viii) the making a “Loan” or “Loans”, the issuance of a “Letter of Credit” or “Letters of Credit” or words of similar import shall, without further reference, mean and refer to an issuance and sale of the Securities hereunder.

(b) To the extent any word or phrase is defined in this Agreement, any such word or phrase appearing in provisions so incorporated by reference from the Loan Agreement shall have the meaning given to such word or phrase in this Agreement. The incorporation by reference into this Agreement of the representations and warranties of the Loan Agreement is for convenience only, and the liabilities, obligations and Indebtedness created under this Agreement and the other Purchaser Documents shall at all times be, and be deemed to be and treated as, separate and distinct from the liabilities, obligations and Indebtedness created under the Loan Agreement and the other Financing Agreements (except to the extent of any of the same as created in favor of, or for the benefit of, the Purchasers under the Amendment No. 4). The incorporation by reference into this Agreement of the representations and warranties of the Loan Agreement shall not be affected or impaired by any subsequent expiration or termination of the Loan Agreement.

(c) The Issuers and the Guarantors, by executing this Agreement, hereby agree to amend, supplement, amend and restate or otherwise modify this Agreement at the request of the Purchasers to set forth in full the provisions incorporated by reference herein from the Loan Agreement and to make conforming modifications to the terms and provisions of this Agreement (i) in the event that Purchasers, in their sole discretion, determine that such an amendment, supplement, amendment and restatement or modification is necessary to give Purchasers the full benefit of such provisions incorporated herein by reference from the Loan Agreement or (ii) upon any assignment or proposed assignment by any Purchaser of its rights and obligations hereunder effected in accordance with Section 14.

#### SECTION 21. Definitions.

(a) The following terms as used herein, shall have the following respective meanings:

“Accounts” shall mean, as to each Issuer and Guarantor, all present and future rights of such Issuer and Guarantor to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or an instrument, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a secondary obligation incurred or to be incurred, or (iv) arising out of the use of a credit or charge card or information contained on or for use with the card. The term Accounts shall include all Accounts of Issuers or Guarantors arising from

sales to account debtor who purchase goods from such Issuers or Guarantors for purposes of trading or brokering such goods and not primarily for the end-use or consumption of such goods in their business which account debtors shall include, without limitation, Trafigura, Glencore International AG, BHP Billiton and Merrill Lynch.

“Address Notice” has the meaning assigned thereto in Section 22(k).

“Affiliate” shall mean, with respect to a specified Person, any other Person which directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such Person, and without limiting the generality of the foregoing, includes (i) any Person which beneficially owns or holds ten (10%) percent or more of any class of Voting Stock of such Person or other equity interests in such Person, (ii) any Person of which such Person beneficially owns or holds ten (10%) percent or more of any class of Voting Stock or in which such Person beneficially owns or holds ten (10%) percent or more of the equity interests and (iii) any director or executive officer of such Person. For the purposes of this definition, the term “control” (including with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by agreement or otherwise.

“Agreement” has the meaning assigned thereto in the Preamble.

“Allocable Amount” has the meaning assigned thereto in Section 18(f).

“Amendment No. 4” shall mean that certain Amendment No. 4 to Loan and Security Agreement, dated as of November 1, 2007, by and among the Issuers, the Guarantors, the Senior Agent, and the Lenders parties thereto, as amended, supplemented or otherwise modified from time to time.

“Blockage Notice” has the meaning assigned thereto in Section 22(c).

“Board” shall mean any of the following: (a) the board of directors, board of managers or similar governing body of any Issuer or any Guarantor and (b) any committee of any board of directors, board of managers or similar governing body referred to in clause (a) of this definition.

“Business Day” shall mean any day other than a Saturday, Sunday, or other day on which commercial banks are authorized or required to close under the laws of the State of New York.

“Cap” shall mean, as of any date of determination, \$140,000,000 minus the sum of (a) the aggregate principal amount of the Loan Agreement Obligations outstanding as of such date, (b) the aggregate principal amount of the Reimbursement Agreement Obligations outstanding as of such date and (c) the aggregate principal amount of any repayments and commitment reductions under any of the Financing Agreements, the Supplemental Loan LC Documents or the Senior Debt Documents made as of such date to the extent such repayments and reductions cannot be reborrowed or increased (specifically excluding, however, any such

repayments and commitment reductions occurring in connection with (i) any repayments of any obligations, liabilities or indebtedness arising under the Financing Agreements, any obligations, liabilities or indebtedness arising under the Supplemental Loan LC Documents or any Senior Obligations, or reductions of commitments to make any loans or other credit extensions under the Financing Agreements, any loans or other credit extensions under the Supplemental Loan LC Documents or any Senior Obligations under any Senior Debt Documents (in any case) made with the Net Proceeds from the sale, transfer or other disposition of all or part of the alumina and terminal facilities at Burnside, Louisiana, (ii) any refinancing, replacement, restatement or substitution of any obligations, liabilities or indebtedness arising under the Financing Agreements, any obligations, liabilities or indebtedness arising under the Supplemental Loan LC Documents or any Senior Obligations (in any case) made in compliance with this Agreement and (iii) scheduled amortization payments on term loans under any credit facility (excluding any loans for the payment of all or any part of the purchase price of any assets or properties other than inventory)).

“Capital Leases” shall mean, as applied to any Person, any lease of (or any agreement conveying the right to use) any property (whether real, personal or mixed) by such Person as lessee which in accordance with GAAP, is required to be reflected as a liability on the balance sheet of such Person.

“Capital Stock” shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person’s capital stock or partnership, limited liability company or other equity interests at any time outstanding, and any and all rights, warrants or options exchangeable for or convertible into such capital stock or other interests (but excluding any debt security that is exchangeable for or convertible into such capital stock).

“Cash Equivalents” shall mean, at any time, (i) any evidence of Indebtedness with a maturity date of ninety (90) days or less issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof; provided, that, the full faith and credit of the United States of America is pledged in support thereof; (ii) certificates of deposit or bankers' acceptances with a maturity of ninety (90) days or less of any financial institution that is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than \$1,000,000,000; (iii) commercial paper (including variable rate demand notes) with a maturity of ninety (90) days or less issued by a corporation (except an Affiliate of any Issuer or Guarantor) organized under the laws of any State of the United States of America or the District of Columbia and rated at least A-1 by Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. or at least P-1 by Moody's Investors Service, Inc.; (iv) repurchase obligations with a term of not more than thirty (30) days for underlying securities of the types described in clause (a) above entered into with any financial institution having combined capital and surplus and undivided profits of not less than \$1,000,000,000; (v) repurchase agreements and reverse repurchase agreements relating to marketable direct obligations issued or unconditionally guaranteed by the United States of America or issued by any governmental agency thereof and backed by the full faith and credit of the United States of America, in each case maturing within ninety (90) days or less from the date of acquisition; provided, that, the terms of such agreements comply with the guidelines set forth in the Federal Financial Agreements of Depository Institutions with Securities Dealers and

Others, as adopted by the Comptroller of the Currency on October 31, 1985; and (vi) investments in money market funds and mutual funds which invest substantially all of their assets in securities of the types described in clauses (i) through (v) above.

“Cash Option Rate” has the meaning assigned thereto in Section 2(d).

“Change of Control” shall mean (i) the transfer (in one transaction or a series of transactions) of all or substantially all of the assets of any Issuer or Guarantor to any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act), other than as permitted in Section 8(p) hereof (ii) the liquidation or dissolution of any Issuer or Guarantor or the adoption of a plan by the stockholders of any Issuer or Guarantor relating to the dissolution or liquidation of such Issuer or Guarantor, other than as permitted in Section 8(p) hereof; (iii) the acquisition by any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act), except for one or more Permitted Holders, of beneficial ownership, directly or indirectly, of more than fifty percent (50%) of the voting power of the total outstanding Voting Stock of any Issuer or Guarantor or the Board of Directors of any Issuer or Guarantor; (iv) during any period of two (2) consecutive years, individuals who at the beginning of such period constituted the Board of Directors of any Issuer or Guarantor (together with any new directors who have been appointed by any Permitted Holder, or whose nomination for election by the stockholders of such Issuer or Guarantor, as the case may be, was approved by a vote of at least sixty-six and two-thirds (66 2/3%) percent of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of any Issuer or Guarantor then still in office; or (v) the failure of Parent to own directly or indirectly one hundred (100%) percent of the voting power of the total outstanding Voting Stock of any other Issuer or Guarantor.

“Closing Date” shall mean the date upon which all the conditions precedent set forth in Section 5 to the effectiveness of this Agreement have been satisfied or waived by the Purchasers and the Securities are issued.

“Code” shall mean the Internal Revenue Code of 1986, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto.

“Collateral” shall mean all property and assets (whether real or personal) with respect to which any Encumbrance has been granted, created, attached or perfected (or purport to be granted, created, attached or perfected) in favor of, or for the benefit of, the Purchasers or any agent (including the Senior Agent or any Purchaser Agent) that may represent or act on behalf of the Purchasers pursuant to Amendment No. 4, any of the other Financing Agreements or any Purchaser Document (including, without limitation, the Replacement Security Documents).

“Common Stock” shall mean the common stock, par value \$0.001 per share, of Parent.

“Common Stock Equivalent” shall mean Common Stock and any option, warrant, right or security exercisable into, exchangeable for, or convertible to Common Stock.

“Conversion Agreement” shall mean the Conversion Agreement, dated as of November 1, 2007, by and among the Issuers, the Guarantors and the Purchasers, as amended, supplemented, amended and restated or otherwise modified from time to time.

“Conversion Shares” shall mean the shares of Common Stock into which the Notes are convertible.

“Costs and Expenses” has the meaning assigned thereto in Section 15.

“Credit Reports” has the meaning assigned thereto in Section 8(a).

“Default” shall mean an act, condition or event which with notice or passage of time or both would constitute an Event of Default.

“Default Rate” has the meaning assigned thereto in Section 2(f).

“Designated Holder” shall mean any of the Purchasers as of the Closing Date and their respective Affiliates.

“Encumbrance” shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under the UCC or any other similar recording or notice statute, and any lease having substantially the same effect as any of the foregoing.

“Enforcement Action” has the meaning assigned thereto in Section 22(i).

“Environmental Laws” shall mean all Federal, State and local laws (including common law), legislation, rules, codes, licenses, permits (including any conditions imposed therein), authorizations, judicial or administrative decisions, injunctions or agreements between any Issuer or Guarantor and any Governmental Authority, (a) relating to pollution and the protection, preservation or restoration of the environment (including air, water vapor, surface water, ground water, drinking water, surface land, subsurface land, plant and animal life or any other natural resource), or to human health or safety, (b) relating to the exposure to, or the use, storage, recycling, treatment, generation, manufacture, processing, distribution, transportation, handling, labeling, production, release or disposal, or threatened release, of Hazardous Materials, or (c) relating to all laws with regard to recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Materials. The term “Environmental Laws” includes (i) the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Federal Superfund Amendments and Reauthorization Act, the Federal Water Pollution Control Act of 1972, the Federal Clean Water Act, the Federal Clean Air Act, the Federal Resource Conservation and Recovery Act of 1976 (including the Hazardous and Solid Waste Amendments thereto), the Federal Solid Waste Disposal and the Federal Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, and the Federal Safe Drinking Water Act of 1974, (ii) applicable state counterparts to such laws and (iii) any common law or equitable doctrine that may impose liability or obligations for injuries or damages due to, or threatened as a result of, the presence of or exposure to any Hazardous Materials.

“Equipment” shall mean, as to each Issuer and Guarantor, all of such Issuer's and Guarantor's now owned and hereafter acquired equipment, wherever located, including machinery, data processing and computer equipment (whether owned or licensed and including embedded software), vehicles, vessels, tools, furniture, fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and substitutions and replacements thereof, wherever located.

“Equity Documents” shall mean, collectively, the Warrants and the Registration Rights Agreement (including the Joinder Agreements to the Registration Rights Agreement executed by and between Parent and each Purchaser).

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, together with all rules, regulations and interpretations thereunder or related thereto.

“ERISA Affiliate” shall mean any person required to be aggregated with any Issuer, any Guarantor or any of its or their respective Subsidiaries under Sections 414(b), 414(c), 414(m) or 414(o) of the Code.

“ERISA Event” shall mean, in each case other than as set forth on Schedule 8.9 to the Information Certificate: (i) any “reportable event”, as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Pension Plan, other than events as to which the requirement of notice has been waived in regulations by the PBGC; (ii) the adoption of any amendment to a Pension Plan that would require the provision of security pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA; (iii) a complete or partial withdrawal by any Issuer, Guarantor or any ERISA Affiliate from a Multiemployer Plan or a cessation of operations which is treated as such a withdrawal or notification that a Multiemployer Plan is in reorganization; (iv) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan; (v) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (vi) the imposition of any liability under Title IV of ERISA, other than the PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Issuer, Guarantor or any ERISA Affiliate in excess of \$1,000,000 and (vii) any other event or condition with respect to a Plan including any Pension Plan subject to Title IV of ERISA maintained, or contributed to, by any ERISA Affiliate that could reasonably be expected to result in liability of any Issuer in excess of \$1,000,000.

“Event of Default” has the meaning assigned thereto in Section 9.

“Excluded Sales” shall mean, collectively, (a) the sale, transfer or other disposition of all or part of the alumina and terminal facilities at Burnside, Louisiana, and (b) the sale, transfer or other disposition of Equipment (including worn-out or obsolete Equipment or Equipment no longer used or useful in the business of any Issuer or Guarantor) so long as the Net Proceeds from such sales, transfers or other dispositions do not exceed \$100,000 for all such Equipment disposed of in any fiscal year of the Issuers.

“Executive Order” has the meaning assigned thereto in Section 8(c).

“Financial Statements” has the meaning assigned thereto in Section 7(j).

“Financing Agreements” shall mean, collectively, the Loan Agreement and all notes, guarantees, security agreements, mortgages, deposit account control agreements, investment property control agreements, intercreditor agreements and all other agreements, documents and instruments now or at any time hereafter executed or delivered by any Issuer or Guarantor in connection with Loan Agreement, as any or all of the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced; provided, that, to the extent that the Financing Agreements are renewed, restated or replaced (or amended, modified, supplemented or extended in such a way that directly results in a renewal, restatement or replacement of the Financing Agreements) other than by a Permitted Loan Agreement Replacement, the Financing Agreements shall be deemed to be Senior Debt Documents and not Financing Agreements for all purposes of this Agreement.

“Foreign Assets Control Regulations” has the meaning assigned thereto in Section 8(c).

“GAAP” shall mean generally accepted accounting principles in the United States of America as in effect from time to time as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board which are applicable to the circumstances as of the date of determination consistently applied.

“Governmental Authority” shall mean any nation or government, any state, province, or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Guarantor” or “Guarantors” has the meaning assigned thereto in the preamble.

“Guarantor Payment” has the meaning assigned thereto in Section 18(f).

“Hazardous Materials” shall mean any hazardous, toxic or dangerous substances, materials and wastes, including hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials, or wastes and including any other substances, materials or wastes that are or become regulated under any Environmental Law (including any that are or become classified as hazardous or toxic under any Environmental Law).

“Hedge Agreement” shall mean an agreement between any Issuer or Guarantor and any swap counterparty that is a swap agreement as such term is defined in 11 U.S.C. Section 101, and including any rate swap agreement, basis swap, forward rate agreement, commodity swap, interest rate option, forward foreign exchange agreement, spot foreign exchange agreement, rate cap agreement rate, floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency option, any other similar agreement

(including any option to enter into any of the foregoing or a master agreement for any the foregoing together with all supplements thereto) for the purpose of protecting against or managing exposure to fluctuations in interest or exchange rates, currency valuations or commodity prices; sometimes being collectively referred to herein as “Hedge Agreements”.

“Immaterial Subsidiary” shall mean, as of any date of determination, any Subsidiary of Parent with (a) total assets determined in accordance with GAAP not exceeding 5% of the total assets of Parent and its Subsidiaries as of such date and (b) total revenue determined in accordance with GAAP not exceeding 5% of the total revenues of Parent and its Subsidiaries for the most recent four quarter period ended prior to such date. Any Subsidiary of Parent may be designated as an Immaterial Subsidiary for purposes of this Agreement by delivering to the Purchasers or any Purchaser Agent a certificate of an officer of Parent certifying such fact, which certificate shall contain financial information, calculations and other support to prove that such Subsidiary satisfies the thresholds set forth in the immediately preceding sentence.

“Indebtedness” shall mean, with respect to any Person, any liability, whether or not contingent, (a) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof) or evidenced by bonds, notes, debentures or similar instruments; (b) representing the balance deferred and unpaid of the purchase price of any property or services (other than an account payable to a trade creditor (whether or not an affiliate) incurred in the ordinary course of business of such Person and payable in accordance with customary trade practices); (c) all obligations as lessee under leases which have been, or should be, in accordance with GAAP recorded as Capital Leases; (d) any contractual obligation, contingent or otherwise, of such Person to pay or be liable for the payment of any indebtedness described in this definition of another Person, including, without limitation, any such indebtedness, directly or indirectly guaranteed, or any agreement to purchase, repurchase, or otherwise acquire such indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof, or to maintain solvency, assets, level of income, or other financial condition; (e) all obligations with respect to redeemable stock and redemption or repurchase obligations under any Capital Stock or other equity securities issued by such Person; (f) all reimbursement obligations and other liabilities of such Person with respect to surety bonds (whether bid, performance or otherwise), letters of credit, banker’s acceptances, drafts or similar documents or instruments issued for such Person’s account; (g) all indebtedness of such Person in respect of indebtedness of another Person for borrowed money or indebtedness of another Person otherwise described in this definition which is secured by any consensual lien, security interest, collateral assignment, conditional sale, mortgage, deed of trust, or other Encumbrance on any asset of such Person, whether or not such obligations, liabilities or indebtedness are assumed by or are a personal liability of such Person, all as of such time; (h) all obligations, liabilities and indebtedness of such Person (marked to market) arising under swap agreements, cap agreements and collar agreements and other agreements or arrangements designed to protect such person against fluctuations in interest rates or currency or commodity values; (i) all obligations owed by such Person under license agreements with respect to non-refundable, advance or minimum guarantee royalty payments; (j) indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer to the extent such Person is liable therefor as a result of such Person’s ownership interest in such entity, except to the extent that the terms of such indebtedness expressly provide

that such Person is not liable therefor or such Person has no liability therefor as a matter of law and (k) the principal and interest portions of all rental obligations of such Person under any synthetic lease or similar off-balance sheet financing.

“Indemnitees” has the meaning assigned thereto in Section 13.

“Insurance Premium Finance Agreements” shall mean, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced): (i) the Commercial Premium Finance Agreement, dated as of February 13, 2007, among Parent and Insurance Premium Lender, and (ii) the other agreements, documents and instruments executed or delivered by Issuers and Guarantors in favor of Insurance Premium Lender in connection therewith or related thereto; sometimes being referred to herein individually as an “Insurance Premium Financing Agreement”.

“Insurance Premium Lender” shall mean AFCO Credit Corporation, AFCO Premium Credit LLC or any other insurance premium finance lender of recognized standing in the insurance premium financing industry, and its successors and assigns.

“Intellectual Property” shall mean, as to each Issuer and Guarantor, such Issuer's and Guarantor's now owned and hereafter arising or acquired: patents, patent rights, patent applications, copyrights, works which are the subject matter of copyrights, copyright applications, copyright registrations, trademarks, servicemarks, trade names, trade styles, trademark and service mark applications, and licenses and rights to use any of the foregoing and all applications, registrations and recordings relating to any of the foregoing as may be filed in the United States Copyright Office, the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country or jurisdiction, together with all rights and privileges arising under applicable law with respect to any Issuer's or Guarantor's use of any of the foregoing; all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing; all rights to sue for past, present and future infringement of any of the foregoing; inventions, trade secrets, formulae, processes, compounds, drawings, designs, blueprints, surveys, reports, manuals, and operating standards; goodwill (including any goodwill associated with any trademark or servicemark, or the license of any trademark or servicemark); customer and other lists in whatever form maintained; trade secret rights, copyright rights, rights in works of authorship, domain names and domain name registration; software and contract rights relating to computer software programs, in whatever form created or maintained.

“Interest Expense” shall mean, for any period, as to any Person, as determined in accordance with GAAP, the total interest expense of such Person, whether paid or accrued during such period (including the interest component of Capital Leases for such period), including, without limitation, discounts in connection with the sale of any Accounts and bank fees, commissions, discounts and other fees and charges owed with respect to letters of credit, banker's acceptances or similar instruments.

“Inventory” shall mean, as to each Issuer and Guarantor, all of such Issuer's and Guarantor's now owned and hereafter existing or acquired goods, wherever located, which (a) are leased by such Issuer or Guarantor as lessor; (b) are held by such Issuer or Guarantor for sale

or lease or to be furnished under a contract of service; (c) are furnished by such Issuer or Guarantor under a contract of service; or (d) consist of raw materials, work in process, finished goods or materials used or consumed in its business.

“Issuer” or “Issuers” has the meaning assigned thereto in the preamble.

“Lenders” shall mean the parties to the Loan Agreement from time to time as lenders (and including any other party or lender or group of lenders that at any time (a) refinances or succeeds to all or any portion of the Loan Agreement Obligations or (b) is otherwise party to the Financing Agreements).

“Letter of Credit Outstandings” means, on any date of determination, an amount equal to the sum of (a) the then aggregate amount which is undrawn and available under all issued and outstanding letters of credit issued for the account of any of the Issuers or Guarantors, and (b) the then aggregate amount of all unpaid and outstanding reimbursement obligations of any of the Issuers or Guarantors under such letters of credit.

“License Agreements” shall mean all of the agreements or other arrangements of each Issuer and Guarantor pursuant to which such Issuer or Guarantor has a license or other right to use any trademarks, logos, designs, representations or other Intellectual Property owned by another Person.

“Loan Agreement” shall mean the Loan and Security Agreement, dated as of February 14, 2007, among the Issuers, the Guarantors, the Lenders, and Loan Agreement Agent, as amended by that certain Amendment No. 1 to Loan and Security Agreement dated as of March 16, 2007, as amended by that certain Amendment No. 2 to Loan and Security Agreement dated as of April 24, 2007, as amended by that certain Amendment No. 3 to Loan and Security Agreement dated as of March 16, 2007, as amended by Amendment No. 4, and as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced; provided, that, to the extent that the Loan Agreement is renewed, restated or replaced (or amended, modified, supplemented or extended in such a way that directly results in a renewal, restatement or replacement of the Loan Agreement) other than by a Permitted Loan Agreement Replacement, the Loan Agreement shall be deemed to be a Senior Debt Document and not the Loan Agreement for all purposes of this Agreement.

“Loan Agreement Agent” shall mean Wachovia Capital Finance Corporation (Central), an Illinois corporation, in its capacity as agent for Lenders, together with its successors and assigns, or any replacement or successor agent appointed pursuant to the terms of the Loan Agreement.

“Loan Agreement Obligations” shall mean the “Obligations” as defined in the Loan Agreement.

“Majority Holders” shall mean, as of any date of determination, Purchasers holding Notes the principal amount of which constitutes more than 50% of the total outstanding principal amount of all Notes outstanding as of such date.

“Mandatory Prepayment Event” shall mean any of the following: (a) a Change of Control, (b) a public offering of the Capital Stock of Parent or any of its Subsidiaries pursuant to an effective registration statement under the Securities Act or (c) any dissolution, liquidation or winding up of any of the Issuers or Guarantors (other than an Immaterial Subsidiary).

“Material Adverse Effect” shall mean a material adverse effect on (a) the financial condition, business, performance or operations of the Issuers; (b) the legality, validity or enforceability of this Agreement or any of the other Purchaser Documents; (c) the legality, validity, enforceability, perfection or priority of the Encumbrances upon the Collateral in favor of, or for the benefit of, the Purchasers or any Purchaser Agent; (d) the Collateral or its value; (e) the ability of any Issuer or any Guarantor to repay the Purchaser Obligations or of any Issuer to perform its obligations under this Agreement or any of the other Purchaser Documents as and when to be performed; or (f) the ability of the Senior Agent, any Purchaser or any Purchaser Agent to enforce the Purchaser Obligations or realize upon the Collateral or otherwise with respect to the rights and remedies of the Purchasers under this Agreement or any of the other Purchaser Documents.

“Maturity Date” shall mean November 1, 2010.

“Maximum Lawful Rate” has the meaning assigned thereto in Section 2(g).

“Mortgages” shall mean, individually and collectively, each of the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced): (i) the Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of February 14, 2007, by OPAC in favor of Loan Agreement Agent with respect to the Real Property and related assets of such Issuer located at MSC #15/Highway 22, Burnside, Louisiana, (ii) the Open End Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of February 14, 2007, by OPAC in favor of Loan Agreement Agent with respect to the Real Property and related assets of such Issuer located at 43840 State Route 7, Hannibal, Ohio, and (iii) the Open End Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of February 14, 2007, by Ormet Mill in favor of Loan Agreement Agent with respect to the Real Property and related assets of such Issuer located at 42722 State Route 7, Hannibal, Ohio.

“Multiemployer Plan” shall mean a “multi-employer plan” as defined in Section 4001(a)(3) of ERISA which is or was at any time during the current year or the immediately preceding six (6) years contributed to by any Issuer, Guarantor or any ERISA Affiliate or with respect to which any Issuer, Guarantor or any ERISA Affiliate may incur any liability.

“Net Proceeds” shall mean the aggregate cash proceeds payable to any Issuer or Guarantor in respect of any sale, lease, transfer or other disposition of any assets or properties, or interest in assets and properties or as proceeds of any loans or other financial accommodations provided to any Issuer or Guarantor or as proceeds from the issuance and/or sale of any Capital Stock, in each case net of the reasonable and customary direct costs relating to such sale, lease, transfer or other disposition or loans or other financial accommodation or issuance and/or sale (including, without limitation, legal, accounting and investment banking fees, and sales commissions) and taxes paid or payable as a result thereof (after taking into account any

available tax credits or deductions and any tax sharing arrangements), and amounts applied to the repayment of Indebtedness secured by a valid and enforceable lien on the asset or assets that are the subject of such sale or other disposition required to be repaid in connection with such transaction. Net Proceeds shall exclude any non-cash proceeds received from any sale or other disposition or other transaction, but shall include such proceeds when and as converted by any Issuer or Guarantor to cash or other immediately available funds.

“Notes” has the meaning assigned thereto in the Recitals and includes all renewals, modifications, extensions, substitutions and replacements thereof.

“Observer” has the meaning assigned thereto in Section 8(d).

“OPAC” has the meaning assigned thereto in the Preamble.

“Opt-In Holder” has the meaning assigned thereto in Section 8(a).

“Ormet Mill” has the meaning assigned thereto in the Preamble.

“Ormet Railroad” has the meaning assigned thereto in the Preamble.

“Parent” has the meaning assigned thereto in the Preamble.

“Payment In Full” or “Paid In Full” shall mean, in relation to the Senior Obligations, (a) payment in full in cash of all obligations (other than obligations under letters of credit but including all indemnified liabilities to the extent then due and payable) of the Issuers and Guarantors owing to Senior Parties, (b) either the termination of all letters of credit under the Senior Debt Documents or delivery by the Issuers or Guarantors of cash collateral or back-up letters of credit covering all obligations of the Senior Parties with respect to all letters of credit issued under the Senior Debt Documents and (c) the termination of all commitments to lend under the Senior Debt Documents.

“PBGC” shall mean the Pension Benefit Guaranty Corporation, a United States government corporation created pursuant to Title IV of ERISA, and any successor or replacement administration, governmental agency or other entity having the same or similar authority.

“Pension Plan” shall mean a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA which any Issuer or Guarantor sponsors, maintains, or to which any Issuer, Guarantor or ERISA Affiliate makes, is making, or is obligated to make contributions, other than a Multiemployer Plan.

“Permitted Encumbrances” has the meaning assigned thereto in Section 8(bb).

“Permits” shall mean, with respect to any Person, all material permits, licenses, approvals, consents, certificates, orders or authorizations of any Governmental Authority required for the lawful conduct of such Person’s business.

“Permitted Holders” shall mean the persons listed on Schedule 21 hereto and their respective successors and assigns.

“Permitted Loan Agreement Replacement” shall mean any sale, assignment, replacement or take out financing of the Loan Agreement Obligations and the Loan Agreement and the other Financing Agreements at any time (a) that an “Event of Default” under the Loan Agreement exists or has occurred and is continuing, or (b) after the date that is ninety (90) days prior to the stated maturity date of the Loan Agreement and the other Financing Agreements (as in effect on the date hereof or, in the case of any financing documents entered into in connection with a Permitted Loan Agreement Replacement, as in effect on the date such documents are executed).

“Permitted Reimbursement Agreement Replacement” shall mean any sale, assignment, replacement or take out financing of the Reimbursement Obligations and the Reimbursement Agreement and the other Supplemental Loan LC Documents at any time (a) that an “Event of Default” under the Reimbursement Agreement exists or has occurred and is continuing, or (b) after the date that is ninety (90) days prior to the stated maturity date of the Reimbursement Agreement and the other Supplemental Loan LC Documents (as in effect on the date hereof or, in the case of any financing documents entered into in connection with a Permitted Reimbursement Agreement Replacement, as in effect on the date such documents are executed).

“Person” shall mean any individual, sole proprietorship, partnership, corporation (including any corporation which elects subchapter S status under the Code), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

“PIK Option Rate” has the meaning assigned thereto in Section 2(d).

“Plan” shall mean an employee benefit plan (as defined in Section 3(3) of ERISA) which any Issuer or Guarantor sponsors, maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a Multiemployer Plan has made contributions at any time during the immediately preceding six (6) plan years or with respect to which any Issuer or Guarantor may incur liability.

“Proceeding” has the meaning assigned thereto in Section 22(c).

“Purchaser” or “Purchasers” has the meaning assigned thereto in the Preamble.

“Purchaser Agent” shall mean any Person designated by the Purchasers as their agent, trustee or other representative for purposes of administrative or other ministerial matters relating to the Purchaser Documents or matters relating to the Collateral.

“Purchaser Documents” shall mean, collectively, this Agreement, the Notes, the Warrants, the Registration Rights Agreement (including any Joinder Agreements to the Registration Rights Agreement executed by any of the Purchasers), the Conversion Agreement and all notes, guarantees, security agreements, mortgages, deposit account control agreements,

investment property control agreements, intercreditor agreements and all other agreements, documents and instruments now or at any time hereafter executed or delivered by any Issuer or Guarantor in connection with this Agreement or any other Purchaser Document (including, without limitation, the Replacement Security Documents), as any or all of the same may be amended, supplemented, amended and restated or otherwise modified from time to time.

“Purchaser Obligations” shall mean all obligations, liabilities and Indebtedness (monetary (including post-petition interest, whether or not allowed) or otherwise) of each Issuer and each Guarantor under this Agreement or any other Purchaser Document, in each case, whether now existing or hereafter arising, whether arising before, during or after the date of this Agreement or after the commencement of any case with respect to any Issuer or Guarantor under the United States Bankruptcy Code or any similar statute (including the payment of interest and other amounts which would accrue and become due but for the commencement of such case, whether or not such amounts are allowed or allowable in whole or in part in such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, or secured or unsecured.

“Quarterly Payment Date” shall mean the last day of each March, June, September and December, or, if any such day is not a Business Day, the next succeeding Business Day.

“Real Property” shall mean all now owned and hereafter acquired real property of each Issuer and Guarantor, including leasehold interests, together with all buildings, structures, and other improvements located thereon and all licenses, easements and appurtenances relating thereto, wherever located, including the real property and related assets more particularly described in the Mortgages.

“Records” shall mean, as to each Issuer and Guarantor, all of such Issuer’s and Guarantor’s present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of any Issuer or Guarantor with respect to the foregoing maintained with or by any other Person).

“Registration Rights Agreement” shall mean the Registration Rights Agreement, dated as of February 23, 2007, by and among Parent and the holders of “Registrable Shares” parties thereto, as the same may be amended, supplemented, amended and restated or otherwise modified from time to time in accordance with the terms thereof.

“Regulation D” has the meaning assigned thereto in Section 7(h).

“Reimbursement Agreement” shall mean the Reimbursement Agreement, dated as of March 16, 2007, between the Issuers, the Guarantors and the “Credit Support Lender” party thereto, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced; provided, that, to the extent that the Reimbursement Agreement is renewed, restated or replaced (or amended, modified, supplemented or extended in

such a way that directly results in a renewal, restatement or replacement of the Reimbursement Agreement) other than by a Permitted Reimbursement Agreement Replacement, the Reimbursement Agreement shall be deemed to be a Senior Debt Document and not the Reimbursement Agreement for all purposes of this Agreement.

“Reimbursement Agreement Obligations” shall mean the “Reimbursement Obligations” as defined in the Reimbursement Agreement.

“Reorganization Securities” has the meaning assigned thereto in Section 22(b).

“Replacement Intercreditor Agreement” has the meaning assigned thereto in Section 8(bb).

“Replacement Security Documents” has the meaning assigned thereto in Section 8(bb).

“Required Holders” shall mean, as of any date of determination, Purchasers holding Notes the principal amount of which constitutes at least 25% of the total outstanding principal amount of all Notes outstanding as of such date.

“Securities” shall mean, collectively, the Notes and the Warrants.

“Securities Act” shall mean the Securities Act of 1933, together with all rules, regulations and interpretations thereunder or related thereto.

“Senior Agent” shall mean (a) any Loan Agreement Agent after the date hereof who becomes the Loan Agreement Agent other than by a Permitted Loan Agreement Refinancing and (b) any other financial institution designated by holders of Senior Obligations (by providing written notice to the Purchasers or any Purchaser Agent of such designation) as a “Senior Agent” for purposes of this Agreement.

“Senior Debt Documents” shall mean, collectively, all agreements and instruments governing or evidencing Indebtedness of any of the Issuers or Guarantors which the Issuers have designated to the Purchasers or any Purchaser Agent in writing as “Senior Debt Documents,” as the same now exist, shall exist when entered into or may hereafter or thereafter be amended, modified, supplemented, extended, renewed, restated or replaced from time to time; provided, that (a) the Loan Agreement and the other Financing Agreements shall not be deemed to be Senior Debt Documents unless the same are renewed, refinanced or replaced (or amended, modified, supplemented or extended in such a way that directly results in a renewal, restatement or replacement of the Reimbursement Agreement) other than by a Permitted Loan Agreement Replacement and (b) the Reimbursement Agreement and the other Supplemental Loan Documents shall not be deemed to be Senior Debt Documents unless the same are renewed, refinanced or replaced (or amended, modified, supplemented or extended in such a way that directly results in a renewal, restatement or replacement of the Reimbursement Agreement) other than by a Permitted Reimbursement Agreement Replacement.

“Senior Obligations” shall mean all obligations, liabilities and Indebtedness (monetary (including post-petition interest, whether or not allowed) or otherwise) of each Issuer

and each Guarantor under any Senior Debt Document, in each case, whether now existing or hereafter arising, whether arising before, during or after the date of this Agreement or after the commencement of any case with respect to any Issuer or Guarantor under the United States Bankruptcy Code or any similar statute (including the payment of interest and other amounts which would accrue and become due but for the commencement of such case, whether or not such amounts are allowed or allowable in whole or in part in such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, or secured or unsecured; provided, that the aggregate outstanding principal amount of Senior Obligations (which shall include, for this purpose, all Letter of Credit Outstandings under any Senior Debt Document) (a) shall not exceed at any time, taken together with the aggregate outstanding principal amount of Specified Indebtedness as of such time, the Cap (excluding, for purposes of determining whether Senior Obligations exceed the Cap, any Senior Obligations (“Supporting Obligations”) that (x) are used, or are intended to be used, solely to cash-collateralize, back-stop or otherwise support other Senior Obligations (the “Supported Obligations”), (y) are in the possession of, or under the sole control of, the obligee of the Supported Obligations, or the provider of the Supporting Obligations is irrevocably committed to extend or provide the Supporting Obligations to the obligee of the Supported Obligations at such obligee’s request or direction, and (z) can be used by the obligee of the Supported Obligations only to pay the Supported Obligations when the Supported Obligations become due and payable, and such use is not subject to restriction, forfeiture or disgorgement) (it being understood that the principal amount of any obligations, liabilities and/or Indebtedness that exceed the Cap (together with all interest, fees, premiums, make-whole amounts, expenses, indemnities or other amounts accrued thereon, or owing or related thereto), shall not constitute “Senior Obligations” for purposes of this Agreement), and (b) shall not include the portion of any obligations, liabilities or Indebtedness which otherwise would be Senior Obligations but which are incurred in violation of this Agreement.

“Senior Obligations Non-Payment Default” has the meaning assigned thereto in Section 22(c).

“Senior Obligations Payment Default” has the meaning assigned thereto in Section 22(c).

“Senior Parties” shall mean, collectively, the holders of Senior Obligations.

“Senior Subordinated Debt” has the meaning assigned thereto in Section 22(a).

“Specialty” has the meaning assigned thereto in the Preamble.

“Specialty Holding” has the meaning assigned thereto in the Preamble.

“Specified Indebtedness” shall mean, as of any time of determination, all outstanding Indebtedness described in clause (y) or clause (z) of the definition of “Total Senior Indebtedness” as of such time.

“Subsidiary” shall mean, with respect to any Person, any corporation, limited liability company, limited liability partnership or other limited or general partnership, trust, association or other business entity of which an aggregate of at least a majority of the

outstanding Capital Stock or other interests entitled to vote in the election of the board of directors of such corporation (irrespective of whether, at the time, Capital Stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency), managers, trustees or other controlling persons, or an equivalent controlling interest therein, of such Person is, at the time, directly or indirectly, owned by such Person and/or one or more Subsidiaries of such Person.

“Supplemental Loan LC Documents” shall mean, collectively, (a) the Reimbursement Agreement and (b) all notes, guarantees, security agreements, mortgages, deposit account control agreements, investment property control agreements, intercreditor agreements and all other agreements, documents and instruments now or at any time hereafter executed or delivered by any Issuer or Guarantor in connection with such Reimbursement Agreement, as any or all of the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced; provided, that, to the extent that the Supplemental Loan LC Documents are renewed, restated or replaced (or amended, modified, supplemented or extended in such a way that directly results in a renewal, restatement or replacement of the Supplemental Loan LC Documents) other than by a Permitted Reimbursement Agreement Replacement, the Supplemental Loan LC Documents shall be deemed to be Senior Debt Documents and not Supplemental Loan LC Documents for all purposes of this Agreement.

“Total Senior Indebtedness” has the meaning assigned thereto in Section 8(h).

“Trading With the Enemy Act” has the meaning assigned thereto in Section 8(c).

“Transfer Notice” has the meaning assigned thereto in Section 14(b).

“UCC” shall mean the Uniform Commercial Code as in effect in the State of New York, and any successor statute, as in effect from time to time.

“Voting Stock” shall mean with respect to any Person, (a) one (1) or more classes of Capital Stock of such Person having general voting powers to elect at least a majority of the board of directors, managers or trustees of such Person, irrespective of whether at the time Capital Stock of any other class or classes have or might have voting power by reason of the happening of any contingency, and (b) any Capital Stock of such Person convertible or exchangeable without restriction at the option of the holder thereof into Capital Stock of such Person described in clause (a) of this definition.

“Waiver” has the meaning assigned thereto in Section 7(k).

“Warrant Shares” shall mean the shares of Common Stock into which the Warrants are exercisable.

“Warrants” has the meaning assigned thereto in the Recitals and includes all renewals, modifications, extensions, substitutions and replacements thereof.

“Working Capital Debt Cap” shall mean, as to the Loan Agreement Obligations and the Reimbursement Agreement Obligations, the aggregate principal amount of

\$140,000,000; provided, that, in no event shall any interest, fees, costs, or expenses arising under or in connection with the Loan Agreement Obligations and the Reimbursement Agreement Obligations be included within the definition of “Working Capital Debt Cap”.

(b) Use of Defined Terms. Any defined term used in the plural preceded by the definite article shall be taken to encompass all members of the relevant class. Any defined term used in the singular preceded by “any” shall be taken to indicate any number of the members of the relevant class.

#### SECTION 22. Subordination.

(a) Purchaser Obligations Subordinate to Senior Obligations. Each Issuer and each Guarantor hereby covenants and agrees, and each Purchaser likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Section 22, the payment of any and all principal of, interest and premium (if any) on, and any other amounts payable by the Issuers or Guarantors to the Purchasers under the Purchaser Documents (other than the Equity Documents) (collectively, the “Senior Subordinated Debt”; provided, that prior to the Senior Obligations being Paid In Full, solely for purposes of this Section 22, Senior Subordinated Debt shall not include the obligations of the Issuers or the Guarantors under the provisions set forth in Sections 13 and 15) are hereby expressly made subordinate and subject in right of payment to the prior Payment In Full of all Senior Obligations. This Section 22 shall be reinstated if at any time any payment of any of the Senior Obligations is rescinded or must otherwise be returned by any of the Senior Parties. The Senior Parties are third-party beneficiaries of the provisions of this Section 22 and are entitled to rely thereon, with all rights, remedies and powers available to them under applicable law to enforce same, and so long as any Senior Obligations shall not have been Paid in Full, the provisions of this Section 22 may not be amended, restated, modified, supplemented, rescinded, canceled in whole or in part (including by any change in the meaning of any term defined elsewhere in this Agreement as it is used in this Section 22) without the prior written consent of, with respect to each of the Senior Obligations, the requisite Senior Parties under each of the Senior Debt Documents.

(b) Payment Over of Proceeds Upon Dissolution. In the event of (x) any insolvency, custodianship or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to any of the Issuers, Guarantors or any of their respective assets, or (y) any liquidation, dissolution or other winding up of any of the Issuers or Guarantors, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (z) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any of the Issuers or Guarantors (each a “Proceeding”), then and in any such event:

(i) the holders of Senior Obligations shall be entitled to receive Payment In Full of all Senior Obligations, before any Purchaser is entitled to receive any direct or indirect payment or distribution (whether in cash, property or securities) on account of the Senior Subordinated Debt (other than a distribution of Reorganization Securities);

(ii) any payment or distribution of assets of any of the Issuers or Guarantors of any kind or character, whether in cash, property or securities, by set-off or

otherwise, to which any Purchaser would be entitled but for the provisions of this Section 22, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other Indebtedness of any of the Issuers or Guarantors being subordinated to the payment of the Senior Subordinated Debt (other than any payment or distribution in the form of Capital Stock or subordinated securities of any of the Issuers or Guarantors or any successor obligor with respect to the Senior Subordinated Debt provided for by a plan of reorganization or readjustment that, in the case of any such subordinated securities or Capital Stock (other than Common Stock Equivalents), (A) are subordinated in right of payment to the Senior Obligations (or any debt or equity securities issued in substitution of all or any portion of the Senior Obligations) to at least the same extent as the Senior Subordinated Debt is subordinated to the Senior Obligations, (B) do not have the benefit of any obligation of any Person (whether as issuer, guarantor or otherwise) unless the Senior Obligations (or any debt or equity securities issued in substitution of all or any portion of the Senior Obligations) have at least the same benefit of the obligation of such Person and (C) do not have any terms, and are not subject to and are not entitled to the benefit of any instrument or agreement that has terms, that are more burdensome to the issuer of or other obligor on such subordinated securities or such Capital Stock than are the terms of the Senior Obligations (or other debt or equity securities issued in substitution or replacement of all or any portion of the Senior Obligations); such Capital Stock or subordinated securities being hereinafter referred to as “Reorganization Securities”) shall be paid by the liquidating trustee or agent or other Person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the Senior Parties, to the extent necessary to make Payment In Full of all Senior Obligations, after giving effect to any concurrent payment or distribution to the Senior Parties; and

(iii) in the event that, notwithstanding the foregoing provisions of this Section 22(b), any Purchaser or any Purchaser Agent shall have received any such payment or distribution of assets of any of the Issuers or Guarantors of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other Indebtedness of any of the Issuers or Guarantors being subordinated to the payment of the Senior Subordinated Debt (but excluding any Reorganization Securities issued and received in accordance with this Section 22) before all Senior Obligations are Paid In Full, then and in such event such payment or distribution shall be held in trust for the Senior Parties and paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment or distribution of assets of any of the Issuers or Guarantors for application to the payment of all Senior Obligations remaining unpaid, to the extent necessary to make Payment In Full of all Senior Obligations, after giving effect to any concurrent payment or distribution to or for the Senior Parties.

Each Purchaser irrevocably authorizes, empowers and directs all receivers, trustees, liquidators, custodians, conservators and others having authority in the premises to effect all payments and deliveries set forth in this Section 22(b), and each Purchaser also irrevocably authorizes, empowers and directs each of the Senior Parties to demand, sue for, collect and receive every such payment or distribution. If the Purchasers or any Purchaser Agent shall have failed to file claims or proofs of claim with respect to the Senior Subordinated Debt in any Proceeding earlier than ten (10) days prior to the deadline for any such filing, the Purchasers hereby appoint and empower each of the Senior Parties to file such claims or proofs of claim; provided that the

Senior Parties shall not be permitted to vote any such claim, all voting rights with respect thereto being retained by the Purchasers or any Purchaser Agent.

(c) No Payment in Certain Circumstances.

(i) In the event that any payment of principal of, interest on, or other payment obligations of an amount that exceeds (with respect to such other payment obligations) \$50,000, with respect to the Senior Obligations is not paid when due, whether at stated maturity, by mandatory prepayment, by acceleration or otherwise (each a “Senior Obligations Payment Default”), then no direct or indirect payment (in cash, property, securities or by set-off, rescission or otherwise, including any payment that may be payable by reason of the payment of any other Indebtedness being subordinated to the payment of the Senior Subordinated Debt (other than a payment of interest on the Senior Subordinated Debt consisting of payment in kind interest)) of or on account of any Senior Subordinated Debt or as a sinking fund for any Senior Subordinated Debt or in respect of any redemption, retirement, purchase or other acquisition of any Senior Subordinated Debt shall be made by the Issuers or Guarantors, or accepted by any Purchaser or Purchaser Agent, on account of the Senior Subordinated Debt unless and until such Senior Obligations payment shall have been made, such Senior Obligations Payment Default is waived in accordance with the terms of the applicable Senior Debt Documents or the Senior Obligations have been Paid in Full.

(ii) In the event that any “event of default” (or other term of a similar nature) under any Senior Debt Document (other than a Senior Obligations Payment Default) (each a “Senior Obligations Non-Payment Default”) shall have occurred and be continuing and the Issuers and the Purchaser Agent shall each have received written notice of such Senior Obligations Non-Payment Default from a Senior Party (a “Blockage Notice”), then no direct or indirect payment (in cash, property, securities or by set-off, rescission or otherwise, including any payment that may be payable by reason of the payment of any other Indebtedness being subordinated to the payment of the Senior Subordinated Debt (other than a payment of interest on the Senior Subordinated Debt consisting of payment in kind interest)) of or on account of any Senior Subordinated Debt or as a sinking fund for any Senior Subordinated Debt or in respect of any redemption, retirement, purchase or other acquisition of any Senior Subordinated Debt shall be made by the Issuers or Guarantors, or accepted by any Purchaser or Purchaser Agent, on account of the Senior Subordinated Debt during the period commencing on the date the Issuers and the Purchaser Agent shall each have received such Blockage Notice and ending on the earlier of (x) the date 180 days thereafter and (y) the date on which such Senior Obligations Non-Payment Default has been cured or waived in accordance with the terms of the applicable Senior Debt Documents; provided that (A) no more than four Blockage Notices may be given so long as this Section 22 is in effect, and (B) in any 365 consecutive day period, irrespective of the number of defaults or events of default with respect to Senior Obligations during such period, (I) Blockage Notices may be in effect for no more than 180 days in the aggregate, (II) no more than two Blockage Notices may be given, and (III) no Senior Obligations Non-Payment Default which existed on the date of the commencement of any such blockage period may be used as the basis for any subsequent Blockage Notice unless such Senior Obligations Non-Payment Default shall in the interim have been cured or waived for a period of not less than 90 consecutive days (it being acknowledged that any subsequent action or any breach of any financial covenants for a period commencing after the date of commencement of such blockage period, that in either case,

would give rise to a Senior Obligations Non-Payment Default pursuant to any provisions under which a Senior Obligations Non-Payment Default previously existed or was continuing, shall constitute a new Senior Obligations Non-Payment Default for this purpose).

(iii) The failure of the Issuers to make any payment with respect to the Senior Subordinated Debt by reason of the operation of this Section 22(c) shall not be construed as preventing the occurrence of a Default or Event of Default hereunder. Immediately upon the expiration of any period under this Section 22(c) during which no payment (other than a payment of interest on the Senior Subordinated Debt consisting of payment in kind interest) may be made on account of the Senior Subordinated Debt, the Issuers and Guarantors may resume making any and all payments on account of the Senior Subordinated Debt (including any payment of principal, interest or any other amount missed during such period).

(iv) In the event that, notwithstanding the foregoing or any other provision hereof (x) the Purchasers or the Purchaser Agent shall have received any payment (whether in cash, property or securities) prohibited by the foregoing provisions of this Section 22(c) or (y) to the extent that at any time (including prior to an Event of Default hereunder or under the Senior Debt Documents) any of the Issuers or Guarantors pay, or the Purchasers or the Purchaser Agent receive, any payment or amount in excess of the amount the Purchasers are then entitled to receive pursuant to the terms of this Agreement or any of the other Purchaser Documents then, and in each such event, such payment shall be held in trust for the holders of the Senior Obligations and paid over and delivered (or caused to be paid over and delivered) forthwith to the Senior Parties for application (in accordance with the applicable Senior Debt Documents) to the Senior Obligations until Payment in Full of the Senior Obligations.

(v) The provisions of this Section 22(c) shall not apply to any payment with respect to which Section 22(b) hereof would be applicable.

(d) Payments Otherwise Permitted. Nothing contained in this Section 22 or elsewhere in this Agreement or in any of the other Purchaser Documents shall prevent the Issuers or Guarantors from making payments at any time on the Senior Subordinated Debt at any time, except (x) during the pendency of any condition specified in Section 22(b) hereof or (y) under the conditions described in Section 22(c) hereof.

(e) Subrogation to Rights of Holders of Senior Obligations. Subject to the Payment In Full of all Senior Obligations, the Purchasers shall be subrogated to the rights of the Senior Parties to receive payments and distributions of cash, property and securities applicable to the Senior Obligations until the principal of and interest on the Notes and all other Purchaser Obligations shall be paid in full. For purposes of such subrogation, no payments or distributions to the Senior Parties of any cash, property or securities to which the Purchasers would be entitled except for the provisions of this Section 22, and no payments made over to the Senior Agent or to the holders of Senior Obligations pursuant to the provisions of this Section 22 shall, as among the Issuers and Guarantors, their respective creditors (other than the Senior Parties) and the Purchasers, be deemed to be a payment or distribution by any of the Issuers or Guarantors to or on account of the Senior Obligations.

(f) Provisions Solely to Define Relative Rights. The provisions of this Section 22 are and are intended solely for the purpose of defining the relative rights of the Purchasers on the one hand and the Senior Parties on the other hand and shall not be deemed to create any rights in favor of any other Person, including the Issuers and Guarantors. Nothing contained in this Section 22 is intended to or shall (i) impair, as among the Issuers and Guarantors, their respective creditors (other than the Senior Parties) and the Purchasers, the obligation of the Issuers, which is absolute and unconditional, to pay to the Purchasers the principal of and interest or premium (if any) on, and any other amount payable by any of the Issuers or Guarantors under, the Notes, this Agreement or any other Purchaser Document as and when the same shall become due and payable in accordance with their respective terms; or (ii) affect the relative rights against the Issuers and Guarantors of the Purchasers and creditors of the Issuers and Guarantors (other than the Senior Parties); or (iii) prevent the Purchasers from exercising all remedies otherwise permitted by applicable law upon a Default or an Event of Default hereunder, subject to the restrictions on such exercise and to the rights of the Senior Parties set forth in this Section 22.

(g) No Waiver or Impairment of Subordination Provisions. No right of any present or future Senior Party to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any of the Issuers or Guarantors or by any act or failure to act, in good faith, by any such Senior Party, or by any non-compliance by any of the Issuers or Guarantors with the terms, provisions and covenants of this Agreement or any other Purchaser Document (unless such non-compliance shall have resulted in the Senior Obligations held by such Senior Party to cease to constitute Senior Obligations), regardless of any knowledge thereof any such Senior Party may have or be otherwise charged with. Without in any way limiting the generality of the foregoing sentence, the Senior Parties may, at any time and from time to time, without the consent of or notice to the Purchasers, without incurring responsibility to the Purchasers and without impairing or releasing the subordination provided in this Section 22 or the obligations hereunder of the Purchasers to the holders of Senior Obligations, do any one or more of the following: (w) except to the extent that the same would constitute a violation of this Agreement, change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Obligations or any instrument evidencing the same or any agreement under which Senior Obligations is outstanding or amend, modify or supplement any Senior Debt Document; (x) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Obligations; (y) release any Person liable in any manner for the collection of Senior Obligations; and (z) exercise or refrain from exercising any right, power or remedy against any of the Issuers or Guarantors and any other Person under or in respect of the Senior Obligations or any of the Senior Debt Documents.

(h) Reliance on Judicial Order or Certificate of Liquidating Agent. Upon any payment or distribution of assets of any of the Issuers or Guarantors referred to in this Section 22, the Purchasers shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which any Proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other Person making any such payment or distribution, delivered to the Purchasers for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the Senior Parties and holders of other Indebtedness of any of the Issuers or Guarantors, the amount

thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Section 22.

(i) Limitation on Rights and Remedies; Notice of Exercise of Remedies. Notwithstanding anything contained herein to the contrary, until the Payment in Full of the Senior Obligations, no Purchaser or Purchaser Agent shall (w) accelerate any portion of the Senior Subordinated Debt or exercise any right to require mandatory prepayment, (x) initiate any judicial proceeding or action to collect any portion of the Senior Subordinated Debt, (y) initiate any Proceeding, or (z) exercise any right of set off or counterclaim against any of the Issuers or Guarantors or take any action under the provisions of any state or federal law, including, without limitation, the UCC, or under any contract or agreement, to foreclose upon, take possession of or sell any property or assets of any of the Issuers or Guarantors (any such remedy or action described in clauses (w) through (z), an “Enforcement Action”) until the earliest to occur of the following, and in any event no earlier than ten (10) days after receipt by any Senior Party of written notice from the Purchasers or the Purchaser Agent of their intention to take such Enforcement Action, (A) the passage of 180 days from receipt by any of the Senior Parties of written notice from the Purchasers or the Purchaser Agent stating that an Event of Default has occurred under this Agreement; (B) acceleration of all or any portion of the Senior Obligations or termination of any commitment to extend credit under the Senior Debt Documents other than in accordance with the scheduled termination thereof or the suspension thereof upon the occurrence of an “event of default” (or term of a similar nature) under the applicable Senior Debt Document (provided, however, that if, following any such acceleration of the Senior Obligations, such acceleration in respect of the Senior Obligations is rescinded, then all Enforcement Actions taken by Purchasers shall likewise be rescinded if such Enforcement Actions are based on this clause (B)); (C) the occurrence of a Proceeding (provided, however, that if such Proceeding is dismissed, the corresponding prohibition against the Purchasers taking any Enforcement Action shall automatically be reinstated as of the date of dismissal as if such Proceeding had not been initiated, unless the Purchasers shall otherwise have the right to take any Enforcement Action under another clause of this Section 22(i)); and (D) the Senior Agent or any holder of Senior Obligations initiates any judicial proceeding or action to collect any portion of the Senior Obligations or exercises any right of set off or counterclaim against any of the Issuers or Guarantors or commences any action under the provisions of any state or federal law, including, without limitation, the UCC, or under any contract or agreement, to foreclose upon, take possession of or sell any Collateral (provided, however, that if, any such judicial proceeding is dismissed, then all Enforcement Actions which have been taken by Purchasers shall likewise be rescinded or otherwise withdrawn if such Enforcement Actions are based on this clause (D)); provided, further that in no event shall the Purchasers take any Enforcement Action described in clause (z) of the definition of “Enforcement Action” with respect to the Collateral if, notwithstanding the expiration of the standstill period pursuant to this clause (D), the Senior Agent or the holders of Senior Obligations shall have commenced the exercise of any of their enforcement rights or remedies with respect all or any substantial part of the Collateral and are diligently pursuing such rights or remedies or any Senior Party is attempting to vacate any stay prohibiting such exercise or enforcement of rights). Notwithstanding the foregoing, the Purchasers and the Purchaser Agent may do any of the following: (I) vote, file proofs of claim and otherwise act with respect to the Senior Subordinated Debt in any Proceeding involving any of the Issuers or Guarantors or any of their respective assets, (II) take any action described in clause (x) of the definition of “Enforcement Action” to the extent necessary to prevent the

running of any applicable statute of limitation or similar restriction on claims, and (III) seek specific performance or other injunctive relief to compel the Issuers and Guarantors to comply with a non-payment obligation under the Purchaser Documents, so long as it is not accompanied by a claim for monetary damages.

(j) Assignments. No Purchaser shall sell, assign, dispose of or otherwise transfer all or any portion of the Senior Subordinated Debt unless the transferee of such Senior Subordinated Debt executes and delivers to the Issuers a Transfer Notice in accordance with Section 14 hereof pursuant to which such transferee agrees to be bound by the terms and provisions of this Section 22. Notwithstanding the failure to execute or deliver an appropriate Transfer Notice, the subordination effected hereby shall survive any sale, assignment, disposition or other transfer of all or any portion of the Senior Subordinated Debt, and the terms of this Agreement shall be binding upon the successors and assigns of each Purchaser.

(k) Notices. By their acceptance of the benefits of this Section 22, the Senior Parties agree that (i) all notices or communications to be given by the Purchasers or the Purchaser Agent under this Section 22 to any of the Senior Parties shall be given to them at their respective addresses specified in a written notice (each, an “Address Notice”) delivered to the Purchasers or the Purchaser Agent by the Issuers and (ii) all notices or communications to be given by the Senior Parties under this Section 22 to the Purchaser or the Purchaser Agent shall be given to the Purchaser Agent at its address set forth in Section 11 hereof. The Purchasers and the Purchaser Agent shall be entitled to rely, and shall be fully protected in relying, upon the information related to addresses of any of the Senior Parties included in any Address Notice, and the Issuers shall at all times amend, supplement, update and/or modify any Address Notice so that the information set forth therein is true, accurate and complete in all respects. If the Purchasers or the Purchaser Agent are required by any provision set forth in this Section 22 to pay over and deliver to the Senior Parties any payment or distribution received by the Purchasers or the Purchaser Agent, then the Purchasers and/or the Purchaser Agent may deliver such payment or distribution to any of the Senior Parties, whereupon the obligation of the Purchasers and/or the Purchaser Agent to pay over and deliver such payment or distribution shall be fully satisfied (it being understood that neither the Purchasers nor the Purchaser Agent shall be responsible to determine the amount of Senior Obligations held by any of the Senior Parties or the relative priorities among or between the Senior Parties). None of the Purchasers or the Purchaser Agent (or any of their respective directors, officers, employees or agents) shall be liable to the Issuers, the Guarantors, the Senior Parties or any other Person for (i) paying over and delivering any payments, distributions or other amounts to any of the Senior Parties or to any trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person pursuant to this Section 22 or (ii) the application or use of any such payment, distribution or other amount after the Purchasers and/or the Purchaser Agent has so paid over and delivered the same. Anything in this Section 22 to the contrary notwithstanding, none of the Purchasers or the Purchaser Agent shall be required to turn over or deliver payments, distributions or other amount received by the Purchasers or the Purchaser Agent that would be in violation of law, or contrary to any order, decree or judgment of any Governmental Authority.

(l) Subordination of Rights With Respect to Liens.

(i) Regardless of the date, manner or order of perfection or non-perfection of the Encumbrances in favor of any of the Senior Parties securing the Senior Obligations, such Encumbrances shall in all respects be first and senior Encumbrances, superior to any Encumbrances in favor of any Purchaser Agent or the Purchasers securing the Senior Subordinated Debt.

(ii) Each of the Purchasers agrees that it will not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Proceeding), the priority, validity, perfection or enforceability of an Encumbrance held by or on behalf of any Senior Party in the Collateral as security for the Senior Obligations.

(iii) Until all Senior Obligations have been Paid in Full, in the event any Collateral or any proceeds of Collateral are received by the Purchaser Agent or any of the Purchasers in connection with an Enforcement Action or during a Proceeding (other than Reorganization Securities), such Collateral or proceeds of Collateral shall be received by the Purchaser Agent or such Purchaser in trust for the benefit of the Senior Parties and the Purchaser Agent or such Purchaser shall promptly turn over such proceeds to the Senior Parties (in the same form as received, with any necessary endorsement), for application (in the case of cash) to the payment of Senior Obligations, or as Collateral (in the case of non-cash property or securities) for the payment or prepayment of the Senior Obligations.

(iv) In the event that any Senior Party releases or agrees to release any of its Encumbrances on all or any part of the Collateral, including without limitation, pursuant to any action to enforce the Encumbrances securing the Senior Obligations, then the Purchaser Agent and the Purchasers agree that they shall be deemed to consent to such release, sale or other disposition and any Encumbrance securing the Senior Subordinated Debt on such Collateral shall be deemed to be, and shall be, automatically released and terminated contemporaneously with the release by such Senior Parties of the Encumbrance securing the Senior Obligations; provided, that the proceeds from any such sale (except for proceeds from any Excluded Sale) shall be applied as set forth in Section 8(f). The Purchasers and the Purchaser Agent agree that no further act or documentation shall be necessary to evidence the release and termination of such Encumbrance.

(v) Until the Senior Obligations have been Paid in Full, the Senior Parties shall have the sole and exclusive right, as against the Purchasers and the Purchaser Agent, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of Collateral. All proceeds of such insurance shall inure to Senior Parties, to the extent of the Senior Obligations, and the Purchasers and Purchaser Agent shall cooperate (if necessary ) in a reasonable manner to effect the provisions of this Section 22.

(m) Continuing Agreement. This Section 22 shall be a continuing agreement, and it shall remain in full force and effect unless and until the Senior Obligations have been Paid in Full.

(n) Effectiveness of Subordination Provisions. Anything in this Section 22 or elsewhere in this Agreement to the contrary notwithstanding, the provisions of this Section 22 (i) shall become effective when, and only when, Replacement Security Documents have been

executed and delivered by and between the Issuers, the Guarantors and the Purchasers or any Purchaser Agent in accordance with Section 8(bb) hereof, and such Replacement Security Documents have become effective, and (ii) shall only be applicable to (A) Senior Obligations and (B) any Encumbrances on any of the assets or properties of the Issuers or the Guarantors in favor of, or for the benefit of, any of the Senior Parties (it being understood that no such Senior Obligations described in clause (A) or Encumbrances described in clause (B) shall have the benefit of any of the subordination or intercreditor terms or provisions set forth in the Financing Agreements or the Replacement Intercreditor Agreement.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the Purchasers, the Issuers and the Guarantors have caused these presents to be duly executed as of the day and year first above written.

PURCHASERS

ISSUERS

GPC 76, LLC

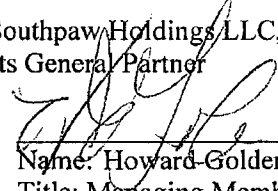
ORMET CORPORATION

By: Southpaw Asset Management LP,  
Its Investment Manager

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: Southpaw Holdings LLC,  
Its General Partner

ORMET PRIMARY ALUMINUM  
CORPORATION

By:  \_\_\_\_\_  
Name: Howard Golden  
Title: Managing Member

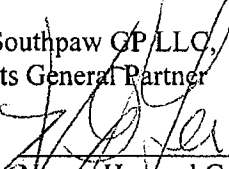
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Title: \_\_\_\_\_

SOUTHPAW CREDIT OPPORTUNITY  
MASTER FUND LP

ORMET ALUMINUM MILL PRODUCTS  
CORPORATION

By: Southpaw GP LLC,  
Its General Partner

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By:  \_\_\_\_\_  
Name: Howard Golden  
Title: Managing Member

PIERCE DIVERSIFIED STRATEGY  
MASTER FUND LLC WITH RESPECT TO  
SERIES VVV

By: 3V Capital Management LLC,  
its trading advisor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Purchasers, the Issuers and the Guarantors have caused these presents to be duly executed as of the day and year first above written.

PURCHASERS

ISSUERS

GPC 76, LLC

ORMET CORPORATION

By: Southpaw Asset Management LP,  
Its Investment Manager

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: Southpaw Holdings LLC,  
Its General Partner

ORMET PRIMARY ALUMINUM  
CORPORATION

By: \_\_\_\_\_  
Name: Howard Golden  
Title: Managing Member

By: \_\_\_\_\_  
Title: \_\_\_\_\_

SOUTHPAW CREDIT OPPORTUNITY  
MASTER FUND LP

ORMET ALUMINUM MILL PRODUCTS  
CORPORATION

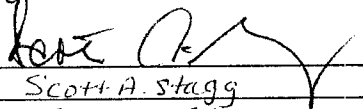
By: Southpaw GP LLC,  
Its General Partner

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Howard Golden  
Title: Managing Member

PIERCE DIVERSIFIED STRATEGY  
MASTER FUND LLC WITH RESPECT TO  
SERIES VVV

By: 3V Capital Management LLC,  
its trading advisor

By:   
Name: Scott A. Stagg  
Title: Trading Advisor

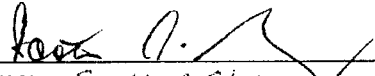
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PURCHASERS (CONT.)

SV SPECIAL SITUATION MASTER FUND LTD.

By: Stagg Capital Group LLC,  
its investment advisor

By:   
Name: Scott A. Stagg  
Title: Managing Member

UBS WILLOW FUND, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

GUARANTORS

SPECIALTY BLANKS HOLDING CORPORATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ORMET RAILROAD CORPORATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

SPECIALTY BLANKS, INC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

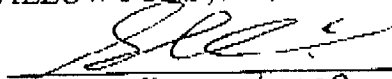
PURCHASERS (CONT.)

SV SPECIAL SITUATION MASTER FUND LTD.

By: Stagg Capital Group LLC,  
its investment advisor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

UBS WILLOW FUND, LLC

By:   
Name: Sam Kim  
Title: Authorized Signatory

GUARANTORS

SPECIALTY BLANKS HOLDING CORPORATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ORMET RAILROAD CORPORATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

SPECIALTY BLANKS, INC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the Purchasers, the Issuers and the Guarantors have caused these presents to be duly executed as of the day and year first above written.

PURCHASERS

GPC 76, LLC

By: Southpaw Asset Management LP,  
Its Investment Manager

By: Southpaw Holdings LLC,  
Its General Partner

By: \_\_\_\_\_  
Name: Howard Golden  
Title: Managing Member

SOUTHPAW CREDIT OPPORTUNITY  
MASTER FUND LP

By: Southpaw GP LLC,  
Its General Partner

By: \_\_\_\_\_  
Name: Howard Golden  
Title: Managing Member

PIERCE DIVERSIFIED STRATEGY  
MASTER FUND LLC WITH RESPECT TO  
SERIES VVV

By: 3V Capital Management LLC,  
its trading advisor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ISSUERS

ORMET CORPORATION

By: \_\_\_\_\_  
Title: CFO

ORMET PRIMARY ALUMINUM  
CORPORATION

By: \_\_\_\_\_  
Title: CFO

ORMET ALUMINUM MILL PRODUCTS  
CORPORATION

By: \_\_\_\_\_  
Title: CFO

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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PURCHASERS (CONT.)

SV SPECIAL SITUATION MASTER FUND LTD.

By: **Stagg Capital Group LLC,**  
its investment advisor

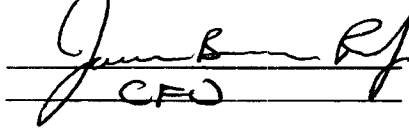
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

UBS WILLOW FUND, LLC

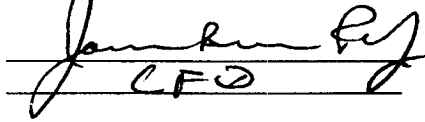
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

GUARANTORS

SPECIALTY BLANKS HOLDING CORPORATION

By:   
Title: CEO

ORMET RAILROAD CORPORATION

By:   
Title: CEO

SPECIALTY BLANKS, INC


By:   
Title: CEO

EXHIBIT A TO  
SECURITIES PURCHASE AGREEMENT

List of Purchasers

<u>Purchasers</u>	<u>Notes</u>	<u>Warrants</u> (expressed as number of shares of Common Stock issuable upon exercise)	<u>Total</u> <u>Purchase Price</u>
GCP 76, LLC	<u>\$949,550</u>	63,303	<u>\$949,550</u>
Southpaw Credit Opportunities Master Fund LP	<u>\$9,050,450</u>	603,363	<u>\$9,050,450</u>
Pierce Diversified Strategy Master Fund LLC With Respect to Series VVV	<u>\$3,000,000</u>	200,000	<u>\$4,000,000</u>
SV Special Situation Master Fund Ltd.	<u>\$7,000,000</u>	466,667	<u>\$7,000,000</u>
UBS Willow Fund, LLC	<u>\$15,000,000</u>	1,000,000	<u>\$15,000,000</u>
TOTALS:	<b><u>\$35,000,000</u></b>	<b><u>2,333,333</u></b>	<b><u>\$35,000,000</u></b>

EXHIBIT B TO  
SECURITIES PURCHASE AGREEMENT

Form of Note

EXHIBIT C TO  
SECURITIES PURCHASE AGREEMENT

Form of Warrant