

PATENT ASSIGNMENT

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SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
FERRO ELECTRONIC MATERIALS INC.	06/06/2006

RECEIVING PARTY DATA

Name:	NATIONAL CITY BANK, AS COLLATERAL AGENT
Street Address:	1900 East Ninth Street
City:	Charlotte
State/Country:	OHIO
Postal Code:	44114

PROPERTY NUMBERS Total: 2

Property Type	Number
Patent Number:	5550092
Patent Number:	6185087

CORRESPONDENCE DATA

Fax Number: (312)701-7711

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 312-701-7237

Email: cdore@mayerbrownrowe.com

Correspondent Name: Christopher Dore

Address Line 1: 71 S. Wacker Drive

Address Line 2: Mayer Brown Rowe & Maw LLP

Address Line 4: Chicago, ILLINOIS 60606-4637

NAME OF SUBMITTER:

Christopher Dore

Total Attachments: 6

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PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT, dated as of June 6, 2006 (this "Agreement"), is made by FERRO ELECTRONIC MATERIALS INC., a Delaware corporation (the "Grantor"), in favor of NATIONAL CITY BANK, as the collateral agent (together with its successor(s) thereto in such capacity, the "Collateral Agent") for each of the Secured Parties.

WITNESSETH:

WHEREAS, this Agreement is made pursuant to the Credit Agreement, dated as of June 6, 2006 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, the various financial institutions and other Persons from time to time party thereto (the "Lenders"), the Credit Suisse, Cayman Islands Branch, as the Term Loan Administrative Agent, National City as the Revolving Loan Administrative Agent and the Collateral Agent, and Keybank National Association, as the Documentation Agent;

WHEREAS, in connection with the Credit Agreement, the Grantor has executed and delivered a Pledge and Security Agreement, dated as of June 6, 2006 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (e) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Collateral Agent a continuing security interest in all of the Patent Collateral (as defined below) to secure all Secured Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of each Secured Party, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby assigns, pledges, hypothecates, charges, mortgages, delivers, and transfers to the Collateral Agent, for its benefit and the ratable benefit of each other Secured Party, and hereby grants to the Collateral Agent, for its benefit and the ratable benefit of each other Secured Party, a continuing security interest in all of the following property, whether now or hereafter existing or acquired by the Grantor (the "Patent Collateral");

(a) all of its letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing and each patent and patent application referred to in Item A of Schedule I attached hereto;

(b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a);

(c) all of its patent licenses, and other agreements providing the Grantor with the right to use any items of the type referred to in clauses (a) and (b) above, including each patent license referred to in Item B of Schedule I attached hereto; and

(d) all Proceeds of, and rights associated with, the foregoing (including license royalties and Proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, and for breach or enforcement of any patent license.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Collateral Agent in the Patent Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Collateral Agent for its benefit and the ratable benefit of each other Secured Party under the Security Agreement. The Security Agreement (and all rights and remedies of the Collateral Agent and each Secured Party thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (i) the Disposition of Patent Collateral in accordance with the Credit Agreement or (ii) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (A) such Patent Collateral (in the case of clause (i)) or (B) all Patent Collateral (in the case of clause (ii)). Upon any such Disposition or termination, the Collateral Agent will, at the Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all Patent Collateral held by the Collateral Agent hereunder, and execute and deliver to the Grantor such Documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered as of the date first above written.

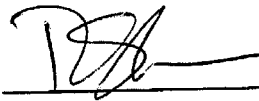
FERRO ELECTRONIC MATERIALS INC.

By: 

Name: Rhonda S. Ferguson
Title: Assistant Secretary

NATIONAL CITY BANK,
as Collateral Agent

By:



Name:

ROBERT S. COLEMAN

Title:

SENIOR VICE PRESIDENT

SCHEDULE I
to Patent Security Agreement

Item A. Patents

Issued Patents

<u>Country</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Inventor(s)</u>	<u>Title</u>
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SEE ATTACHED

Pending Patent Applications

<u>Country</u>	<u>Serial No.</u>	<u>Filing Date</u>	<u>Inventor(s)</u>	<u>Title</u>
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None.

Patent Applications in Preparation

<u>Country</u>	<u>Docket No.</u>	<u>Expected Filing Date</u>	<u>Inventor(s)</u>	<u>Title</u>
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None.

Item B. Patent Licenses

<u>Country or Territory</u>	<u>Licensor</u>	<u>Licensee</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Subject Matter</u>
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None.

Matter ID	Country	Patent Title	Status	Serial No.	Filing Date	Patent Issue Date	Owner
11761	United States	Ceramic Dielectrics Compositions	Issued Taxes Due	08/38693	2/10/1995	5550092	8/27/1996 Ferro Electronic Materials Inc.
11791	United States	Multilayer Ceramic Chip Capacitor with High Reliability	Issued Taxes Due	09/28807	4/8/1999	6185087	2/6/2001 Ferro Electronic Materials Inc. - Kemet Coporation