

**PATENT ASSIGNMENT**

Electronic Version v1.1  
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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY AGREEMENT
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
Sanderson Plumbing Products, Inc.	01/04/2007
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	Webster Business Credit Corporation
<b>Street Address:</b>	One State Street
<b>City:</b>	New York
<b>State/Country:</b>	NEW YORK
<b>Postal Code:</b>	10004
<b>PROPERTY NUMBERS Total: 5</b>	
<b>Property Type</b>	<b>Number</b>
Patent Number:	5565240
Patent Number:	5344672
Patent Number:	D291348
Patent Number:	D278846
Patent Number:	D278845
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(404)572-5128
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
<b>Phone:</b>	4045724786
<b>Email:</b>	epolak@kslaw.com
<b>Correspondent Name:</b>	King & Spalding LLP
<b>Address Line 1:</b>	1180 Peachtree St.
<b>Address Line 2:</b>	ATTN: Gerald T. Woods
<b>Address Line 4:</b>	Atlanta, GEORGIA 30309
<b>ATTORNEY DOCKET NUMBER:</b>	06726.009143

**CH \$200.00 5565240**

NAME OF SUBMITTER:

Gerald T. Woods

**Total Attachments: 5**

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## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "Agreement"), dated as of January 4, 2007, is made by the undersigned (the "Company") to and in favor of WEBSTER BUSINESS CREDIT CORPORATION, a New York corporation ("Lender"), pursuant to that certain Credit and Security Agreement, dated as of even date herewith, among the Company, as a Borrower thereunder, any other Borrower party thereto, and the Lender (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein and not defined shall have the meanings ascribed to them in the Credit Agreement).

### WITNESSETH:

#### RECITALS.

A. The Company owns and uses certain Patents (as hereinafter defined) which are registered in, or applications for registration of which have been filed in, the United States Patent and Trademark Office, all as more fully described on Schedule I attached hereto and by reference made part hereof; and

B. The Lender proposes to make certain loans to the Company pursuant to the Credit Agreement; and

C. Pursuant to the Credit Agreement, the Company has assigned, conveyed, mortgaged, pledged, hypothecated and transferred to the Lender, all of its right, title and interest in and to, and granted to the Lender, a security interest in, the property described therein, including, without limitation, all of the Company's Patents (as hereinafter defined), whether presently existing or hereafter acquired or arising, or in which the Company now has or hereafter acquires rights and wherever located, and all products and proceeds any of the foregoing, as security for all of the Obligations; and

D. As a condition precedent to the extension of such financial accommodations pursuant to the Credit Agreement and in furtherance of the Credit Agreement, including, without limitation, for purposes of perfecting the security interests granted therein, the Lender have required that the Company grant to the Lender a security interest in and a collateral assignment of the Property (as hereinafter defined);

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. For purposes of this Agreement and in addition to terms defined elsewhere in this Agreement, the following terms shall have the meanings herein specified (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

"Patents" means all of the following: (i) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters

patent of the United States or any other country, including, without limitation registrations, recordings and applications in the office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those referred to in Schedule I attached hereto, and (ii) all reissues, continuations, continuations-in-part or extensions thereof.

2. As security for the payment and performance of all of the Obligations, the Company hereby grants and conveys a security interest to the Lender, for its benefit and the ratable benefit of the Lender, in, and collaterally assigns to the Lender, for its benefit and the ratable benefit of the Lender, all of the Company's right, title and interest in, to and under the following (collectively, the "Property"): (a) each Patent now or hereafter owned by the Company or in which the Company now has or hereafter acquires rights and wherever located, including, without limitation, each Patent referred to in Schedule I hereto and any renewals of registrations thereof; and (b) all products and proceeds of the foregoing, including, without limitation, any claim by the Company against third parties for past, present or future infringement of any Patent including, without limitation, any Patent referred to in Schedule I hereto.

Notwithstanding the foregoing or anything else in this Agreement to the contrary, unless and until the Lender exercises the rights and remedies accorded to it under the Credit Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, the Lender hereby grants to the Company the exclusive, nontransferable, royalty-free right and license under the Property for the Company's own benefit and account, so that the Company may use and enjoy the Property in connection with its business operations and exercise rights and remedies with respect to the Property, but with respect to all Property being used in the Company's business, only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property. The Company agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to the Company in this paragraph, except that the Company may sublicense the Property in the ordinary course of the Company's business but only in a manner consistent with the preservation of the current substance, validity, registration and the security interest and collateral assignment herein granted in such Property. Upon the exercise by the Lender of the rights and remedies accorded to it under the Credit Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Property, the license granted under this paragraph to the Company shall terminate.

3. The Company does hereby further acknowledge and affirm that the representations, warranties and covenants of the Company with respect to the Property and the rights and remedies of the Lender with respect to the security interest in and collateral assignment of the Property made and granted hereby are more fully set forth in the Credit Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. This Agreement shall terminate upon termination of the Credit Agreement. At any time and from time to time prior to such termination, the Lender may terminate its security interest in or reconvey to the Company any rights with respect to any or all of the Property. Upon termination of this Agreement and following a request from the Company, the

Lender shall, at the expense of the Company, execute and deliver to the Company all deeds, assignments and other instruments as may be necessary or proper in reasonable judgment of the Company in order to evidence such termination, subject to any disposition of the Property which may have been made by the Lender pursuant hereto or pursuant to the Credit Agreement.

5. If at any time before the termination of this Agreement, the Company shall obtain or acquire rights to any new Patent (including any Patent application), the provisions of Section 2 shall automatically apply thereto and the Company shall comply with the terms of the Security Agreement with respect to such new Patent. The Company authorizes the Lender to modify this Agreement by amending Schedule 1 to include any future Patents (and Patent applications) covered by Section 2 or by this Section 5.

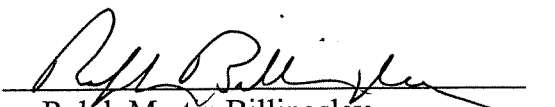
6. The Company further agrees that (a) the Lender shall not have any obligation or responsibility to protect or defend the Property and the Company shall, at its own expense protect, defend and maintain the same in accordance with the terms and conditions set forth in the Credit Agreement, (b) the Company shall forthwith advise the Lender promptly in writing upon detection of infringements of any of the Property being used in the Company's business and (c) if the Company fails to comply with the requirements of the preceding clause (a), the Lender may do so in the Company's name or in its own name, but in any case at the Company's expense, and the Company hereby agrees to reimburse the Lender for all expenses, including attorneys' fees, incurred by the Lender in protecting, defending and maintaining the Property.

7. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT PERFECTION (AND THE EFFECT OF PERFECTION AND NONPERFECTION) AND CERTAIN REMEDIES MAY BE GOVERNED BY THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed under seal by its duly authorized officers as of the date first above written.

"COMPANY"

SANDERSON PLUMBING PRODUCTS,  
INC.

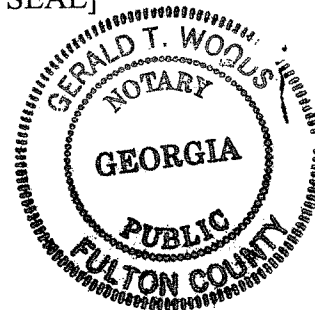
By:   
Name: Ralph Martin Billingsley  
Title: Vice President Finance

On January 4, 2007, before me personally came Ralph Martin Billingsley, to me personally known and known to me to be the person described in and who executed the foregoing instrument as the Vice President Finance of Sanderson Plumbing Products, Inc., who being by me duly sworn, did depose and say that he (she) is the Vice President Finance of said company and which executed the foregoing instrument; that the said instrument was signed on behalf of said company by order of its board of directors (or other governing body); that he (she) signed his (her) name thereto by like order; and that he (she) acknowledged said instrument to be the free act and deed of said company.

  
Notary Public

My Commission Expires:  
1-8-07

[NOTARIAL SEAL]



SCHEDULE I

Sanderson Plumbing Products, Inc.  
Patents

Patent No.

Title

5,565,240

Process for producing powder coated plastic product

5,344,672

Process for producing powder coated plastic product

D291,348

Toilet seat

D278,846

Combined toilet seat and cover

D278,845

Combined toilet seat and cover