

# PATENT ASSIGNMENT

Electronic Version v1.1

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Eljer, Inc.	07/17/2008
RECEIVING PARTY DATA	
Name:	Ableco Finance LLC, as Collateral Agent
Street Address:	450 Park Avenue
City:	New York
State/Country:	NEW YORK
Postal Code:	10022
PROPERTY NUMBERS Total: 2	
Property Type	Number
Patent Number:	D370718
Patent Number:	D358456
CORRESPONDENCE DATA	
Fax Number:	(212)593-5955
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	212-756-2215
Email:	john.garces@srz.com
Correspondent Name:	John Garces, Esq.
Address Line 1:	919 Third Avenue
Address Line 2:	22nd
Address Line 4:	New York, NEW YORK 10022
ATTORNEY DOCKET NUMBER:	014951.0907
NAME OF SUBMITTER:	John Garces, Esq.
<p>Total Attachments: 6</p> <p>source=Patent Security Agreement for Eljer Inc#page1.tif</p> <p>source=Patent Security Agreement for Eljer Inc#page2.tif</p>	

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**PATENT**  
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## PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made this 17th day of July, 2008, among the Grantor listed on the signature page hereof ("Grantor"), and ABLECO FINANCE LLC, a Delaware limited liability company ("Ableco"), in its capacity as a collateral agent for the Lender Group (in such capacity, together with its permitted successors and assigns, if any, "Collateral Agent").

### W I T N E S S E T H:

WHEREAS, pursuant to that certain Amended and Restated Credit Agreement, dated as of July 17, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among AS America, Inc., a Delaware corporation ("AS America"), AS Logistics, Inc., a Delaware corporation ("AS Logistics", together with AS America, each a "Borrower" and collectively the "Borrowers"), the lenders from time to time party thereto as Lenders ("Lenders"), and Ableco, as administrative agent for the Lenders (in such capacity, together with its permitted successors and assigns, if any, "Administrative Agent") and as Collateral Agent, the Lender Group made certain financial accommodations available to Borrowers pursuant to the terms and conditions thereof;

WHEREAS, the members of the Lender Group are willing to continue to make the financial accommodations to Borrowers as provided for in the Credit Agreement, but only upon the condition, among others, that the Grantor and certain of its affiliates shall have become parties to that certain Security Agreement, dated as of April 15, 2008 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Grantor is required to execute and deliver to Collateral Agent, for the benefit of the Lender Group, this Patent Security Agreement;

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

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement and/or the Credit Agreement.
2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. To secure the Secured Obligations, Grantor hereby grants to Collateral Agent, for the benefit of the Lender Group, a continuing first priority security interest (subject to Permitted Liens) in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (other than Excluded Property) (collectively, the "Patent Collateral");

- (a) all of its Patents, including those Patents referred to on Schedule I hereto;

(b) all of its rights to sue for past, present and future infringements and dilutions of its Patents; and

(c) all products and proceeds of the foregoing, including, without limitation, all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.

3. SECURITY AGREEMENT. The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to Collateral Agent, for the benefit of the Lender Group, pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Collateral Agent with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. AUTHORIZATION TO SUPPLEMENT. If Grantor shall become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Patent Security Agreement shall automatically apply thereto. Grantor shall give notice in writing to Collateral Agent with respect to any such new patent rights in accordance with Section 6(g)(iv) of the Security Agreement. Without limiting Grantor's obligations under this Section 4, Grantor hereby authorizes Collateral Agent unilaterally to modify this Agreement by amending Schedule I to include any such new patent rights of Grantor. Notwithstanding the foregoing, no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Collateral Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

5. TERMINATION. Upon payment in full (as defined in the Security Agreement) of the Obligations in accordance with the provisions of the Credit Agreement and termination or expiration of the Commitments, Collateral Agent shall promptly, at Grantor's expense, execute, acknowledge and deliver to Grantor proper documents and instruments acknowledging the release of the lien and security interest in the Patent Collateral under this Patent Security Agreement. Upon the sale or disposition of any Patent Collateral, the Security Interest in such Patent Collateral shall be automatically released and terminated to the extent such sale or disposition is expressly permitted under the Credit Agreement, and at such time, Collateral Agent will authorize the filing of appropriate termination statements to terminate such Security Interest.

6. COUNTERPARTS. This Patent Security Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Patent Security Agreement or any other Loan Document in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.

7. CONFLICT. Notwithstanding anything herein to the contrary, the Liens and the Security Interest granted to Collateral Agent pursuant to this Patent Security Agreement and the exercise of any right or remedy by Collateral Agent hereunder, are subject in all respects to the provisions of the Split Lien Intercreditor Agreement. In the event of any conflict between the terms of the Split Lien Intercreditor Agreement and this Patent Security Agreement, the terms of the Split Lien Intercreditor Agreement shall govern and control.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

**ELJER, INC., a Delaware Corporation**

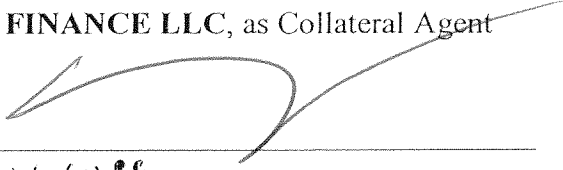
By: 

Name: Rich Rosselet

Title: Chief Financial Officer

**ACCEPTED AND ACKNOWLEDGED BY:**

**ABLECO FINANCE LLC**, as Collateral Agent

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

Name: Daniel Wolf

Title: President

**SCHEDULE I**  
**to**  
**PATENT SECURITY AGREEMENT**

**Patent Registrations/Applications**

<b>Grantor</b>	<b>Patent</b>	<b>Application/ Registration No.</b>	<b>App/Reg Date</b>
Eljer, Inc.	Pedestal for a drop-in sink	D370718	06/11/96
Eljer, Inc.	Battub	D358456	05/16/95