

8-27-99

Tab settings



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Documents or copy thereof.

To the Honorable Commissioner of Patents and Trademarks

1. Name of conveying party(ies):

Custom Building Products

- Individual(s)
- General Partnership
- Corporation-State California
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: August 6, 1999

2. Name and address of receiving party(ies):

Name: Bank of America, N.A., as Administrative Agent

Internal Address: Attn: Custom Bldg Products Account Officer

Street Address: 3233 Park Center Dr.

City: Newport Beach State: CA ZIP: 92626

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other national banking association

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from Assignment)
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

75 47 4899

see attached Schedule 1

B. Trademark registration No.(s)

see attached Schedule 1

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Sheppard, Mullin, Richter & Hampton LLP

Internal Address: Attn: J. Cravitz

Street Address: 333 S. Hope St., 48th Floor

City: Los Angeles State: CA ZIP: 90071

6. Total number of applications and registrations involved:

40

7. Total fee (37 CFR 3.41): \$ 1,015.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Anthony R. Callobre, Esq.
Name of Person Signing

Anthony R. Callobre
Signature

8/25/99
Date

Total number of pages comprising cover sheet:

29

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

08/31/1999 MTHA11 00000001 75474899

01 FC:461 40.00 DP
02 FC:482 Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

SCHEDULE 1
TO
RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

Existing and Pending Trademarks

Owner	Trademark	Application No./ Registration No.	Application Date/ Registration Date
Custom Building Products	ACRYLPRO	75/474,899	1/27/98
Custom Building Products	A.S.K.	1,994,332	8/20/96
Custom Building Products	BORDER BUDDY	1,899,472	6/13/95
Custom Building Products	CFLEX3	75/474,893	4/27/98
Custom Building Products	CFLEX PRO	75/476,823	4/27/98
Custom Building Products	CUSTOM	1,685,871	5/12/92
Custom Building Products	CUSTOMBLEND	75/709,830	5/19/99
Custom Building Products	CUSTOM BUILDING PRODUCTS & Design	1,895,774	5/30/95
Custom Building Products	CUSTOM-CRETE	1,951,204	1/23/96
Custom Building Products	CUSTOM-FLOAT	1,655,570	9/3/91
Custom Building Products	CUSTOM-PATCH	1,654,322	8/20/91

Owner	Trademark	Application No./ Registration No.	Application Date/ Registration Date
Custom Building Products	CUSTOM PLUG	1,592,031	4/17/90
Custom Building Products	CUSTOM-SEAL	1,652,422	7/30/91
Custom Building Products	CUSTOM-SEAL	75/340,888	8/14/97
Custom Building Products	FIXALL and Design	620,647	2/7/56
Custom Building Products	FLEX-BOND	1,622,534	11/13/90
Custom Building Products	FLOOR-BOARD	1,738,343	12/8/92
Custom Building Products	LEVEL QUIK	1,609,793	8/14/90
Custom Building Products	M-BOND ULTRA	75/643,451	2/18/99
Custom Building Products	M-FLEX STRATA	75/643,450	2/18/99
Custom Building Products	MASTER BLEND	75/709,829	5/19/99
Custom Building Products	PATCH-N-PAINT	1,578,399	1/16/90
Custom Building Products	POLYBLEND	1,604,678	7/3/90
Custom Building Products	POUR-STONE	1,595,397	5/8/90
Custom Building Products	PREMIUM PLUS	2,205,005	11/24/98
Custom Building Products	QUIK-FIX	1,594,249	5/1/90

Owner	Trademark	Application No./ Registration No.	Application Date/ Registration Date
Custom Building Products	REDI-GROUT	75/697,032	5/4/99
Custom Building Products	RELIABOND	75/474,897	4/27/98
Custom Building Products	STONEGLOSS	2,163,558	6/9/98
Custom Building Products	STONEWASH	2,223,339	2/19/99
Custom Building Products	SURFACEGARD	75/238,634	2/10/97
Custom Building Products	THE FOUNDATION OF THE TILE INDUSTRY	75/707,961	5/17/99
Custom Building Products	THE FOUNDATION OF THE TILE INDUSTRY	75/707,960	5/17/99
Custom Building Products	THE FOUNDATION OF THE TILE INDUSTRY	75/707,959	5/17/99
Custom Building Products	TILELAB	2,201,843	11/3/98
Custom Building Products	TROWELL & SEAL	1,864,454	11/29/94
Custom Building Products	VERSABOND	75/474,898	4/27/98
Custom Building Products	WALLPAPER PAL	1,899,471	6/13/95

Owner	Trademark	Application No./ Registration No.	Application Date/ Registration Date
Custom Building Products	WHEN IT'S CUSTOM, IT FITS THE JOB	1,943,418	12/26/95
Custom Building Products	WONDER- BOARD	991,208	8/20/74

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of August 6, 1999, is made by Custom Building Products, a California corporation, together with each other Person which hereafter may become a party hereto pursuant to Section 9 of this Agreement (each a "Grantor" and collectively, "Grantors"), jointly and severally, in favor of Bank of America, N.A., as the Administrative Agent under the Loan Agreement referred to below for the ratable benefit of each of the Lenders which are parties to the Loan Agreement from time to time, as Secured Party, with reference to the following facts:

RECITALS

A. Pursuant to that certain Loan Agreement of even date herewith entered into among Custom Building Products, a California corporation ("Custom"), Thomas R. Peck Manufacturing Company, Inc., a California corporation, Superior Featherweight Tools Co., a California corporation, Jamo, Inc., a Florida corporation and Glascrete, Inc., a California corporation (collectively, the "Borrowers" and individually, a "Borrower"), the lenders from time to time a part thereto (collectively, the "Lenders" and individually, a "Lender") and the Administrative Agent (as such agreement may from time to time be amended, extended, renewed, supplemented or otherwise modified, the "Loan Agreement"), the Lenders have agreed to provide the Borrowers with certain credit facilities.

B. The Loan Agreement provides, as a condition of the availability of such credit facilities, that Grantors shall enter into this Agreement and shall grant security interests to Secured Party as herein provided.

C. Each Grantor expects to realize direct and indirect benefits as a result of the availability of the aforementioned credit facilities.

AGREEMENT

NOW, THEREFORE, in order to induce the Lenders to extend the aforementioned credit facilities to the Borrowers, and for other good and valuable

consideration, the receipt and adequacy of which are hereby acknowledged, Custom, as the initial Grantor hereunder, and each of the subsequent Grantors which hereafter become party hereto, hereby jointly and severally represent, warrant, covenant and agree as follows:

1. **Definitions.** This Agreement is the Trademark Security Agreement referred to in the Loan Agreement. Terms defined in the Loan Agreement and not otherwise defined in this Agreement shall have the meanings defined for those terms in the Loan Agreement. As used in this Agreement, the following terms shall have the meanings respectively set forth after each:

"Agreement" means this Trademark Security Agreement, and any extensions, modifications, renewals, restatements, supplements or amendments hereof, including, without limitation, any documents or agreements by which additional Grantors become party hereto.

"Collateral" means and includes all of the following: (a) all of Grantors' now-existing, or hereafter acquired, right, title, and interest in and to all of Grantors' trademarks, trade names, trade styles, and service marks; all prints and labels on which said trademarks, trade names, trade styles, and service marks appear, have appeared, or will appear, and all designs and general intangibles of a like nature; all applications, registrations, and recordings relating to the foregoing in the United States Patent and Trademark Office ("USPTO") or in any similar office or agency of the United States, any State thereof, or any political subdivision thereof (provided that no "intent to use" application filed by any Grantor with the USPTO relating to the foregoing shall constitute part of the Collateral unless and until such Grantor files a "declaration of use" with respect to such application and the USPTO accepts such declaration), and all reissues, extensions, and renewals thereof, including those trademarks, trade names, trade styles, service marks, terms, designs, and applications described in Schedule 1 hereto (the "Trademarks"); (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; (c) all licenses and sublicenses of trademarks, trade names, trade styles and service marks, to the extent that there exists no prohibition as a matter of law on the transfer thereof for security as contemplated by this Agreement, and (d) any and all proceeds of any of the foregoing, including any claims by Grantors against third parties for past, present and future infringement of the Trademarks or any licenses with respect thereto, provided that the term **"Collateral"**, as used in this Agreement, shall not include gaming licenses or liquor licenses which are not transferable without the consent of Governmental Authorities.

"Secured Obligations" means any and all present and future Obligations of any type or nature of Grantors or any one or more of them to the Administrative Agent, the Lenders, and any one or more of them, arising under or relating to the Loan Documents or any one or more of them, whether due or to become due, matured or unmatured, liquidated or unliquidated, or contingent or noncontingent, including Obligations of performance as well as Obligations of payment, and including interest that accrues after the commencement of any bankruptcy or insolvency proceeding by or against any Grantor.

"Secured Party" means the Administrative Agent who shall receive and hold the security interests granted hereunder for the ratable benefit of each of the Lenders which are parties to the Loan Agreement from time to time. Subject to the terms and conditions of the Loan Agreement, any right, remedy, privilege, or power of Secured Party shall be exercised by the Administrative Agent.

2. **Security Agreement.** For valuable consideration, Grantors, and each of them hereby, jointly and severally grant and assign to Secured Party a security interest, to secure the prompt and indefeasible payment and performance of the Secured Obligations, and each of them, in and to all of the presently existing and hereafter acquired Collateral. This Agreement is a continuing and irrevocable agreement and all the rights, powers, privileges and remedies hereunder shall apply to any and all Secured Obligations, including those arising under successive transactions which shall either continue the Secured Obligations, increase or decrease them and notwithstanding the bankruptcy of any Grantor or any other event or proceeding affecting any Grantor.

3. **Representations, Warranties and Covenants.** Grantors, and each of them, represent, warrant and agree that:

(a) To Grantor's knowledge, all of the existing Collateral is valid and subsisting and in full force and effect, and Grantors own the sole, full, and clear title thereto, and the right and power to grant the security interests granted hereunder. Grantors will, at their expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral as valid, subsisting, and registered trademarks, including, without limitation, the filing of any renewal affidavits and applications provided that Grantor may abandon or not renew such trademark if in its good faith judgment, the particular mark is not material to its business. The Collateral is not subject to any Liens, claims, mortgages, assignments or licenses of any nature whatsoever, whether recorded or unrecorded, except as permitted by the Loan Agreement.

(b) To Grantor's knowledge, as of the date hereof, none of Grantors or their Subsidiaries has any Trademarks registered, or subject to pending applications, in the USPTO, or any similar office or agency in the United States, other than those described in Schedule 1.

(c) No Grantor nor any Subsidiary of any Grantor shall file any application for the registration of a trademark with the USPTO or any similar office or agency in the United States, or State therein, unless such Grantor or Subsidiary has informed Secured Party of such action in advance or informs Secured Party promptly thereafter. Upon request of Secured Party, Grantors shall execute and deliver to Secured Party any and all agreements, instruments, documents, and such other papers as may be reasonably requested by Secured Party to evidence the grant and assignment of a security interest to Secured Party of such trademark (other than mere "intent to use" filings). Each Grantor authorizes Secured Party to modify this Agreement by amending Schedule 1 to include any new trademark or service mark, and any trademark or service mark renewal of any Grantor applied for and obtained hereafter.

(d) No Grantor nor any Subsidiary of any Grantor has abandoned any of the Trademarks, and no Grantor nor any Subsidiary of any Grantor will do any act, or omit to do any act, whereby the Trademarks may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable. Each Grantor shall notify Secured Party promptly if it knows, or has reason to know, of any reason why any application, registration, or recording may become abandoned, canceled, invalidated, or unenforceable.

(e) Grantors will render any assistance, as Secured Party may reasonably determine is necessary, to Secured Party in any proceeding before the USPTO, any federal or state court, or any similar office or agency in the United States, or any State therein, to protect Secured Party's security interest in the Trademarks.

(f) Grantors assume all responsibility and liability arising from the use of the Trademarks, and each Grantor hereby indemnifies and holds the Administrative Agent and each of the Lenders harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted, or sold by any Grantor (or any Affiliate or Subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labeling, sale, or advertisement of any such product by any Grantor or any Affiliate or Subsidiary thereof.

(g) Grantors shall promptly notify Secured Party in writing of any adverse determination in any proceeding in the USPTO or domestic Governmental Agency, court or body, regarding any Grantor's ownership of any of the Trademarks. In the event of any material infringement of any of the Trademarks by a third party, Grantors shall promptly notify Secured Party of such infringement and shall diligently pursue damages or an injunction for such infringement.

(h) Each Grantor shall, at its sole expense, do, make, execute and deliver all such additional and further acts, things, assurances, and instruments, in each case in form and substance reasonably satisfactory to Secured Party, relating to the creation, validity, or perfection of the security interests provided for in this Agreement under 35 U.S.C. Section 261, 15 U.S.C. Section 1051 *et seq.*, the Uniform Commercial Code or other Law of the United States, the State of California, or of any other States as Secured Party may from time to time reasonably request, and shall take all such other action as the Secured Party may reasonably require to more completely vest in and assure to Secured Party its security interest in any of the Collateral, and each Grantor hereby irrevocably authorizes Secured Party or its designee, at such Grantor's expense, to execute such documents, and file such financing statements with respect thereto with or without such Grantor's signature, as Secured Party may reasonably deem appropriate. In the event that any recording or refileing (or the filing of any statement of continuation or assignment of any financing statement) or any other action, is required at any time to protect and preserve such security interest, Grantors shall, at their sole cost and expense, cause the same to be done or taken at such time and in such manner as may be necessary and as may be reasonably requested by Secured Party. Each Grantor further authorizes Secured Party to have this or any other similar security agreement recorded or filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

(i) Secured Party is hereby irrevocably appointed by each Grantor as its lawful attorney and agent, with full power of substitution to execute and deliver on behalf of and in the name of any or all Grantors, such financing statements and other documents and agreements, and to take such other action as Secured Party may deem necessary for the purpose of perfecting, protecting or effecting the security interests granted herein and effected hereby, and any mortgages or Liens necessary or desirable to implement or effectuate the same, under any applicable Law, and Secured Party is hereby authorized to file on behalf of and in the name of any or all Grantors, at Grantors' sole expense, such financing statements, documents and agreements in any appropriate governmental office.

(j) Secured Party may, in its sole discretion, pay any amount, or do any act which Grantors fail to pay or do as reasonably required hereunder to preserve, defend, protect, maintain, record, amend, or enforce the Secured Obligations, the Collateral, or the security interest granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, and reasonable attorneys' fees. Grantors will be liable to Secured Party for any such payment, and any amount so paid shall be an expense reimbursable by the Borrowers under Section 11.3 of the Loan Agreement (or, in the proper case, by each other Grantor under the expense provisions of its Guaranty).

4. Events of Default. Any "Event of Default" as defined in the Loan Agreement shall constitute an Event of Default hereunder.

5. Rights and Remedies. Upon the occurrence and during the continuance of any such Event of Default, in addition to all other rights and remedies of Secured Party, whether provided under Law, the Loan Agreement or otherwise, Secured Party may enforce its security interest hereunder which may be exercised without notice to, or consent by, any Grantor, except as such notice or consent is expressly provided for hereunder. Upon such enforcement:

(a) Secured Party may use any of the Trademarks for the sale of goods, completion of work in process, or rendering of services in connection with enforcing any security interest granted to Secured Party by Grantors or any Subsidiary of any Grantor.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions and in such manner, as Secured Party shall, in its sole discretion, deem appropriate. Such license or licenses may be general, special, or otherwise, and may be granted on an exclusive or nonexclusive basis throughout all or part of the United States of America and its territories and possessions.

(c) Secured Party may assign, sell, or otherwise dispose of the Collateral, or any part thereof, either with or without special conditions or stipulations, except that Secured Party agrees to provide Grantors with ten (10) days' prior written notice of any proposed disposition of the Collateral. Each Grantor hereby irrevocably appoints each Borrower as its agent for the purpose of receiving notice of sale hereunder, and agrees that such Grantor conclusively shall be deemed to have received notice of sale when notice of sale has been given to each Borrower. Each Grantor expressly waives any right to receive notice of any public or private sale of any Collateral or other security for the Secured Obligations except as expressly provided in this

Section 5(c). Secured Party shall have the power to buy the Collateral, or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Grantors shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to Section 5(c) hereof, Secured Party may, at any time, execute and deliver, on behalf of Grantors, and each of them, pursuant to the authority granted in powers of attorney, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Grantors agree to pay Secured Party, on demand, all costs incurred in any such transfer of the Collateral, including, but not limited to any taxes, fees, and reasonable attorneys' fees.

(e) Secured Party may first apply the proceeds actually received from any such use, license, assignment, sale, or other disposition of Collateral first to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all reasonable legal, travel, and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Secured Obligations as provided in the Loan Agreement. Grantors shall remain liable to Secured Party for any expenses or Secured Obligations remaining unpaid after the application of such proceeds, and Grantors will pay Secured Party, on demand, any such unpaid amount, together with interest at the rate(s) set forth in the Loan Agreement.

(f) Upon request of Secured Party, Grantors shall supply to Secured Party, or Secured Party's designee, Grantors' knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and Grantors' customer lists and other records relating to the Trademarks and the distribution hereof.

Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under Law, the Loan Agreement, this Agreement, or otherwise shall be cumulative, and none is exclusive of any right or remedy otherwise provided herein or in any of the other Loan Documents, at law or in equity. Such rights and remedies may be enforced alternatively, successively, or concurrently.

Secured Party or Designee will keep such confidential information, lists or records provided hereunder in confidence in accordance with Section 11.16 of the Loan Agreement.

6. Waivers.

(a) Each Grantor hereby waives any and all rights that it may have to a judicial hearing, if any, in advance of the enforcement of any of Secured Party's rights hereunder, including, without limitation, its rights following any Event of Default and during the continuance thereof to take immediate possession of the Collateral and exercise its rights with respect thereto.

(b) Secured Party shall not be required to marshal any present or future security for (including, but not limited to, this Agreement and the Collateral subject to a security interest hereunder), or guaranties of, the Secured Obligations or any of them, or to resort to such security or guaranties in any particular order. Each Grantor hereby agrees that it will not invoke any Law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Secured Party's rights under this Agreement or any other instrument evidencing any of the Secured Obligations or by which any of such Secured Obligations is secured or guaranteed, and each Grantor hereby irrevocably waives the benefits of all such Laws.

(c) Except for notices specifically provided for herein, each Grantor hereby expressly waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect both to Secured Obligations and any collateral therefor, each Grantor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, of any Person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto except as otherwise required by Law. Secured Party may exercise its rights with respect to the Collateral without resorting or regard to other collateral or sources of reimbursement for liability. Secured Party shall not be deemed to have waived any of its rights upon or under the Loan Agreement or the Collateral unless such waiver be in writing and signed by the Secured Party. The exercise of the rights under this Agreement are not intended by the parties to constitute an "action" within the meaning of Sections 580a, 580d, or 726 of the California Code of Civil Procedure. No delay or omission on the part of the

Secured Party in exercising any right shall operate as a waiver of any right on any future occasion. All rights and remedies of the Secured Party under the Loan Agreement or on the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly or concurrently.

7. Costs and Expenses. Grantors will pay any and all charges, costs and taxes incurred in implementing or subsequently amending this Agreement, including, without limitation, recording and filing fees, appraisal fees, stamp taxes, and reasonable fees and disbursements of Secured Party's counsel incurred by Secured Party, and the allocated cost of in-house counsel to Secured Party, in connection with this Agreement, and in the enforcement of this Agreement and in the enforcement or foreclosure of any Liens, security interests or other rights of the Secured Party under this Agreement, or under any other documentation heretofore, now, or hereafter given to Secured Party in furtherance of the transactions contemplated hereby.

8. Continuing Effect. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets.

9. Joinder. Any other Person may become a Grantor hereunder and become bound by the terms and conditions of this Agreement by executing and delivering to Administrative Agent an Instrument of Joinder substantially in the form attached hereto as Exhibit A, accompanied by such documentation as Administrative Agent may require to establish the due organization, valid existence and good standing of such Person, its qualification to engage in business in each material jurisdiction in which it is required to be so qualified, its authority to execute, deliver and perform this Agreement, and the identity, authority and capacity of each Responsible Official thereof authorized to act on its behalf.

10. Release of Grantors. This Agreement and all Secured Obligations of Grantors hereunder shall be released when all Secured Obligations have been paid in full in cash or otherwise performed in full and when no portion of the Commitments remain outstanding. Upon such release of Grantors' Secured Obligations hereunder, Secured Party shall return and reassign any Collateral to Grantors, or to the Person or Persons legally entitled thereto, and shall endorse, execute, deliver, record and file all instruments and documents, and do all other acts and things, reasonably required for the return of the Collateral to Grantors, or to the Person or Persons legally entitled thereto, and to evidence or document the release of Secured Party's interests arising

under this Agreement, all as reasonably requested by, and at the reasonable expense of, Grantors.

11. Incorporation of Suretyship Provisions and Waivers. The attached Exhibit B, "Suretyship Provisions and Waivers", is hereby incorporated by this reference as though set forth herein in full.

12. Additional Powers and Authorization. Secured Party shall be entitled to the benefits accruing to it as Administrative Agent under the Loan Agreement and the other Loan Documents. Notwithstanding anything contained herein to the contrary, Secured Party may employ agents, trustees, or attorneys-in-fact and may vest any of them with any Property (including, without limitation, any Collateral assigned hereunder), title, right or power deemed necessary for the purposes of such appointment.

13. WAIVER OF JURY TRIAL. EACH GRANTOR AND SECURED PARTY EXPRESSLY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE LOAN AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH GRANTOR AND SECURED PARTY AGREE THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY ARE WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT, THE LOAN AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, THE LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

14. **GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE FEDERAL LAWS OF THE UNITED STATES OF AMERICA AND THE LAWS OF THE STATE OF CALIFORNIA.**

15. **Miscellaneous.**

(a) Grantors and Secured Party may from time to time agree in writing to the release of certain of the Collateral from the security interest created hereby.

(b) Any notice, request, demand or other communication required or permitted under this Agreement shall be in writing and shall be deemed to be properly given if done in accordance with Section 11.6 of the Loan Agreement.

(c) Except as otherwise set forth in the Loan Agreement, the provisions of this Agreement may not be modified, amended, restated or supplemented, whether or not the modification, amendment, restatement or supplement is supported by new consideration, except by a written instrument duly executed and delivered by Secured Party and Grantors.

(d) Except as otherwise set forth in the Loan Agreement or this Agreement, any waiver of the terms and conditions of this Agreement, or any Event of Default and its consequences hereunder or thereunder, and any consent or approval required or permitted by this Agreement to be given, may be made or given with, but only with, the written consent of Secured Party on such terms and conditions as specified in the written instrument granting such waiver, consent or approval.

(e) Any failure or delay by Secured Party to require strict performance by Grantors of any of the provisions, warranties, terms, and conditions contained herein, or in any other agreement, document, or instrument, shall not affect Secured Party's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein, or in any other agreement, document, or instrument, shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Grantors, specifying such waiver.

(f) If any term or provision of this Agreement conflicts with any term or provision of the Loan Agreement, the term or provision of the Loan Agreement shall control.

(g) If any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

(h) This Agreement supersedes all prior oral and written assignments and agreements between the parties hereto on the subject matter hereof.

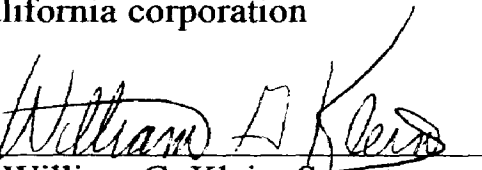
(i) This Agreement shall be binding upon, and for the benefit of, the parties hereto and their respective legal representatives, successors, and assigns.

(j) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, each Grantor has executed this Agreement by its duly authorized officer as of the date first written above.

"Grantors"

CUSTOM BUILDING PRODUCTS,
a California corporation

By: 
William G. Klein, Secretary

ACCEPTED AND AGREED
AS OF THE DATE FIRST
ABOVE WRITTEN:

"Secured Party"

BANK OF AMERICA, N.A.,
as Administrative Agent, and
for and on behalf of the Lenders

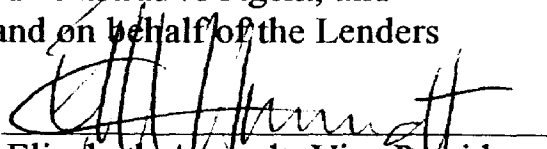
By: 
Elizabeth Amendt, Vice President

EXHIBIT A
TO
TRADEMARK SECURITY AGREEMENT

INSTRUMENT OF JOINDER

THIS INSTRUMENT OF JOINDER (this "Joinder") is executed as of _____, _____, by _____, a _____ ("Joining Party"), and delivered to Bank of America N.A., as Administrative Agent, pursuant to the Trademark Security Agreement dated as of August 6, 1999 made by Custom Building Products, a California corporation (and, with other parties that may be added from time to time, the "Grantors"), in favor of the Administrative Agent and the Lenders referred to in the Loan Agreement referred to below (the "Agreement"). Terms used but not defined in this Joinder shall have the meanings defined for those terms in the Agreement.

RECITALS

A. The Agreement was made by the Grantors in favor of the Administrative Agent for the benefit of the Lenders that are parties to that certain Loan Agreement dated as of August 6, 1999 by and among the Borrowers which are parties thereto, the Lenders which are parties thereto, and Bank of America, N.A., as the Administrative Agent for the Lenders (the "Loan Agreement").

B. Joining Party is required pursuant to the Loan Agreement to become a Grantor.

C. Joining Party expects to realize direct and indirect benefits as a result of the availability of the credit facilities under the Loan Agreement to the Borrowers.

NOW THEREFORE, Joining Party agrees as follows:

AGREEMENT

(1) By this Joinder, Joining Party becomes a "Grantor" under and pursuant to Section 9 of the Agreement. Joining Party agrees that, upon its execution hereof, it will become a Grantor under the Agreement with respect to all Obligations of the Borrowers heretofore or hereafter incurred under the Loan Documents, and will be

bound by all terms, conditions, and duties applicable to a Grantor under the Agreement.

(2) The effective date of this Joinder is _____, _____.

"Joining Party"

a _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGED:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____

Name: _____

Title: _____

EXHIBIT B
TO
TRADEMARK SECURITY AGREEMENT
SURETYSHIP PROVISIONS AND WAIVERS

1. Waivers and Consents. Each Grantor acknowledges that the Liens and security interests created or granted herein will or may secure obligations of Persons other than such Grantor and, in full recognition of that fact, each Grantor consents and agrees that Secured Party may, at any time and from time to time, without notice or demand, and without affecting the enforceability or security hereof:

(a) supplement, modify, amend, extend, renew, or otherwise change the time for payment or the terms of the Obligations or any part thereof, including any increase or decrease of the rate(s) of interest thereon;

(b) supplement, modify, amend or waive, or enter into or give any agreement, approval or consent with respect to, the Obligations or any part thereof or any of the Loan Documents or any additional security or guaranties, or any condition, covenant, default, remedy, right, representation or term thereof or thereunder;

(c) accept new or additional instruments, documents or agreements in exchange for or relative to any of the Loan Documents or the Obligations or any part thereof;

(d) accept partial payments on the Obligations;

(e) receive and hold additional security or guaranties for the Obligations or any part thereof;

(f) release, reconvey, terminate, waive, abandon, subordinate, exchange, substitute, transfer and enforce any security or guaranties, and apply any security and direct the order or manner of sale thereof as Secured Party in its sole and absolute discretion may determine;

(g) release any Person or any guarantor from any personal liability with respect to the Obligations or any part thereof;

(h) settle, release on terms satisfactory to Secured Party or by operation of applicable laws or otherwise liquidate or enforce any Obligations and any

security or guaranty therefor in any manner, consent to the transfer of any security and bid and purchase at any sale; and

(i) consent to the merger, change or any other restructuring or termination of the corporate existence of any Borrower or any other Person, and correspondingly restructure the Obligations, and any such merger, change, restructuring or termination shall not affect the liability of any Grantor or the continuing existence of any Liens hereunder, under any other Loan Document to which any Grantor is a party or the enforceability hereof or thereof with respect to all or any part of the Obligations.

Upon the occurrence of and during the continuance of any Event of Default, Secured Party may enforce this Agreement independently as to each Grantor and independently of any other remedy or security Secured Party at any time may have or hold in connection with the Obligations, and it shall not be necessary for Secured Party to marshal assets in favor of any Grantor, any Borrower or any other Person or to proceed upon or against and/or exhaust any other security or remedy before proceeding to enforce this Agreement. Each Grantor expressly waives any right to require Secured Party to marshal assets in favor of such Grantor, any Borrower or any other Person or to proceed against any other Person or any collateral provided by any other Person, and agrees that Secured Party may proceed against any Person and/or collateral in such order as it shall determine in its sole and absolute discretion. Secured Party may file a separate action or actions against any Grantor, whether action is brought or prosecuted with respect to any other security or against any other Grantor, any Borrower or any other Person, or whether any other Person is joined in any such action or actions. Each Grantor agrees that Secured Party and the Borrowers and any other Person may deal with each other in connection with the Obligations or otherwise, or alter any contracts or agreements now or hereafter existing between any of them, in any manner whatsoever, all without in any way altering or affecting the security of this Agreement. Secured Party's rights hereunder shall be reinstated and revived, and the enforceability of this Agreement shall continue, with respect to any amount at any time paid on account of the Obligations which thereafter shall be required to be restored or returned by Secured Party upon the bankruptcy, insolvency or reorganization of any Borrower, any Grantor or any other Person, or otherwise, all as though such amount had not been paid. The Liens created or granted herein and the enforceability of this Agreement at all times shall remain effective to secure the full amount of all the Obligations including, without limitation, the amount of all loans and interest thereon at the rates provided for in the Loan Agreement, even though the Obligations, including any part thereof or any other security or guaranty therefor, may be or hereafter may become invalid or otherwise unenforceable as against the Borrowers or any other Person and whether or not the Borrowers or any other Person

shall have any personal liability with respect thereto. Each Grantor expressly waives any and all defenses now or hereafter arising or asserted by reason of (a) any disability or other defense of any Borrower or any other Person with respect to the Obligations, (b) the unenforceability or invalidity of any security or guaranty for the Obligations or the lack of perfection or continuing perfection or failure of priority of any security for the Obligations, (c) the cessation for any cause whatsoever of the liability of any Borrower or any other Person (other than by reason of the full payment and performance of all Obligations), (d) any failure of Secured Party to marshal assets in favor of such Grantor or any other Person, (e) except as otherwise required by Law or as provided in this Agreement, any failure of Secured Party to give notice of sale or other disposition of collateral to such Grantor or any other Person or any defect in any notice that may be given in connection with any sale or disposition of collateral, (f) except as otherwise required by Law or as provided in this Agreement, any failure of Secured Party to comply with applicable Laws in connection with the sale or other disposition of any collateral or other security for any Obligation, including without limitation any failure of Secured Party to conduct a commercially reasonable sale or other disposition of any collateral or other security for any Obligation, (g) any act or omission of Secured Party or others that directly or indirectly results in or aids the discharge or release of any Borrower, any Grantor or any other Person or the Obligations or any other security or guaranty therefor by operation of law, (h) any Law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, (i) any failure of Secured Party to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person, (j) the election by Secured Party, in any bankruptcy proceeding of any Person, of the application or non-application of Section 1111(b)(2) of the United States Bankruptcy Code, (k) any extension of credit or the grant of any Liens under Section 364 of the United States Bankruptcy Code, (l) any use of cash collateral under Section 363 of the United States Bankruptcy Code, (m) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any Person, (n) the avoidance of any Liens in favor of Secured Party for any reason, (o) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any Person, including any discharge of, or bar or stay against collecting, all or any of the Obligations (or any interest thereon) in or as a result of any such proceeding, or (p) to the extent permitted, the benefits of any form of one-action rule. Until no part of any commitment to lend remains outstanding and all of the Obligations have been paid and performed in full, Grantors shall have no right of subrogation, contribution, reimbursement or indemnity, and each Grantor expressly waives any right to enforce any remedy that Secured Party now has or hereafter may have against any other Person and waives the benefit of, or any right to participate in, any other

security now or hereafter held by Secured Party. Each Grantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations, and all notices of acceptance of this Agreement or of the existence, creation or incurring of new or additional Obligations.

2. Condition of Borrowers and their Subsidiaries. Each Grantor represents and warrants to Secured Party that such Grantor has established adequate means of obtaining from each Borrower and its Subsidiaries, on a continuing basis, financial and other information pertaining to the businesses, operations and condition (financial and otherwise) of each Borrower and its Subsidiaries and their properties, and such Grantor now is and hereafter will be completely familiar with the businesses, operations and condition (financial and otherwise) of each Borrower and its Subsidiaries and their properties. Each Grantor hereby expressly waives and relinquishes any duty on the part of Secured Party to disclose to such Grantor any matter, fact or thing related to the businesses, operations or condition (financial or otherwise) of any Borrower or its Subsidiaries or their properties, whether now known or hereafter known by Secured Party during the life of this Agreement. With respect to any of the Obligations, Secured Party need not inquire into the powers of any Borrower or any Subsidiaries thereof or the officers or employees acting or purporting to act on their behalf, and all Obligations made or created in good faith reliance upon the professed exercise of such powers shall be secured hereby.

3. Liens on Real Property. In the event that all or any part of the Obligations at any time are secured by any one or more deeds of trust or mortgages creating or granting Liens on any interests in real property, each Grantor authorizes Secured Party, upon the occurrence of and during the continuance of any Event of Default, at its sole option, without notice or demand and without affecting any Obligations, the enforceability of this Agreement, or the validity or enforceability of any Liens of any Secured Party on any collateral, to foreclose any or all of such deeds of trust or mortgages by judicial or nonjudicial sale. Insofar as the Liens created herein secure the obligations of other Persons, (i) each Grantor expressly waives any defenses to the enforcement of this Agreement or any Liens created or granted hereby or to the recovery by Secured Party against the Borrowers or any other Person liable therefor of any deficiency after a judicial or nonjudicial foreclosure or sale, even though such a foreclosure or sale may impair the subrogation rights of such Grantor and may preclude such Grantor from obtaining reimbursement or contribution from any other Person and (ii) each Grantor expressly waives any defenses or benefits that may be derived from California Code of Civil Procedure §§ 580a, 580b, 580d or 726, or comparable provisions of the Laws of any other jurisdiction and all other suretyship

defenses it otherwise might or would have under California Law or other applicable Law. Each Grantor expressly waives any right to receive notice of any judicial or non-judicial foreclosure or sale of any real property or interest therein subject to any such deeds of trust or mortgages and such Grantor's failure to receive any such notice shall not impair or affect such Grantor's obligations hereunder or the enforceability of this Agreement or any Liens created or granted hereby.

4. Waiver of Rights of Subrogation. Notwithstanding anything to the contrary elsewhere contained herein or in any other Loan Document to which any Grantor is a Party, each Grantor hereby waives with respect to the Borrowers and their successors and assigns (including any surety) and any other Party any and all rights at Law or in equity, to subrogation, to reimbursement, to exoneration, to contribution, to setoff or to any other rights that could accrue to a surety against a principal, to a guarantor against a maker or obligor, to an accommodation party against the party accommodated, or to a holder or transferee against a maker and which such Grantor may have or hereafter acquire against any Borrower or any other Party in connection with or as a result of such Grantor's execution, delivery and/or performance of this Agreement or any other Loan Document to which such Grantor is a party. Each Grantor agrees that it shall not have or assert any such rights against any Borrower or its successors and assigns or any other Person (including any surety), either directly or as an attempted setoff to any action commenced against such Grantor by any Borrower (as borrower or in any other capacity) or any other Person. Each Grantor hereby acknowledges and agrees that this waiver is intended to benefit Secured Party and shall not limit or otherwise affect such Grantor's liability hereunder, under any other Loan Document to which such Grantor is a party, or the enforceability hereof or thereof.

5. Understandings with Respect to Waivers and Consents. Each Grantor warrants and agrees that each of the waivers and consents set forth herein is made with full knowledge of its significance and consequences, with the understanding that events giving rise to any defense waived may diminish, destroy or otherwise adversely affect rights which such Grantor otherwise may have against the Borrowers, Secured Party or others, or against collateral, and that, under the circumstances, the waivers and consents herein given are reasonable and not contrary to public policy or Law. If any of the waivers or consents herein are determined to be contrary to any applicable Law or public policy, such waivers and consents shall be effective to the maximum extent permitted by law.

SCHEDULE I
TO
TRADEMARK SECURITY AGREEMENT

Existing and Pending Trademarks

Owner	Trademark	Application No./ Registration No.	Application Date/ Registration Date
Custom Building Products	ACRYLPRO	75/474,899	1/27/98
Custom Building Products	A.S.K.	1,994,332	8/20/96
Custom Building Products	BORDER BUDDY	1,899,472	6/13/95
Custom Building Products	CFLEX3	75/474,893	4/27/98
Custom Building Products	CFLEX PRO	75/476,823	4/27/98
Custom Building Products	CUSTOM	1,685,871	5/12/92
Custom Building Products	CUSTOMBLEND	75/709,830	5/19/99
Custom Building Products	CUSTOM BUILDING PRODUCTS & Design	1,895,774	5/30/95
Custom Building Products	CUSTOM-CRETE	1,951,204	1/23/96
Custom Building Products	CUSTOM-FLOAT	1,655,570	9/3/91
Custom Building Products	CUSTOM-PATCH	1,654,322	8/20/91

Owner	Trademark	Application No./ Registration No.	Application Date/ Registration Date
Custom Building Products	CUSTOM PLUG	1,592,031	4/17/90
Custom Building Products	CUSTOM-SEAL	1,652,422	7/30/91
Custom Building Products	CUSTOM-SEAL	75/340,888	8/14/97
Custom Building Products	FIXALL and Design	620,647	2/7/56
Custom Building Products	FLEX-BOND	1,622,534	11/13/90
Custom Building Products	FLOOR-BOARD	1,738,343	12/8/92
Custom Building Products	LEVEL QUIK	1,609,793	8/14/90
Custom Building Products	LEVEL QUIK	Pending	7/22/99
Custom Building Products	LEVEL QUIK	Pending	7/22/99
Custom Building Products	M-BOND ULTRA	75/643,451	2/18/99
Custom Building Products	M-FLEX STRATA	75/643,450	2/18/99
Custom Building Products	MASTER BLEND	75/709,829	5/19/99
Custom Building Products	PATCH-N-PAINT	1,578,399	1/16/90
Custom Building Products	POLYBLEND	1,604,678	7/3/90

Owner	Trademark	Application No./ Registration No.	Application Date/ Registration Date
Custom Building Products	POUR-STONE	1,595,397	5/8/90
Custom Building Products	PREMIUM PLUS	2,205,005	11/24/98
Custom Building Products	QUIK-FIX	1,594,249	5/1/90
Custom Building Products	REDI-GROUT	75/697,032	5/4/99
Custom Building Products	RELIABOND	75/474,897	4/27/98
Custom Building Products	STONEGLOSS	2,163,558	6/9/98
Custom Building Products	STONEWASH	2,223,339	2/19/99
Custom Building Products	SURFACEGARD	75/238,634	2/10/97
Custom Building Products	THE FOUNDATION OF THE TILE INDUSTRY	75/707,961	5/17/99
Custom Building Products	THE FOUNDATION OF THE TILE INDUSTRY	75/707,960	5/17/99
Custom Building Products	THE FOUNDATION OF THE TILE INDUSTRY	75/707,959	5/17/99
Custom Building Products	TILELAB	2,201,843	11/3/98

Owner	Trademark	Application No./ Registration No.	Application Date/ Registration Date
Custom Building Products	TROWELL & SEAL	1,864,454	11/29/94
Custom Building Products	VERSABOND	75/474,898	4/27/98
Custom Building Products	WALLPAPER PAL	1,899,471	6/13/95
Custom Building Products	WHEN IT'S CUSTOM, IT FITS THE JOB	1,943,418	12/26/95
Custom Building Products	WONDER- BOARD	991,208	8/20/74

JURAT

Subscribed and sworn to (or affirmed) before me on this 6th day of August, 1999 by

William E. Klein

State of California)

County of Orange)

Carol A. Palmer

Carol A. Palmer

