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11-13-01

11-14-2001



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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): **DAL-ELIT, L.P.**

Individual(s)                       Association  
 General Partnership               Limited Partnership (TX)  
 Corporation-State  
 Other \_\_\_\_\_

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

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

Name: The Chase Manhattan Bank, as Administrative Agent  
Internal Address: \_\_\_\_\_  
Street Address: P.O. Box 2558  
City: Houston State: TX ZIP: 77252

3. Nature of conveyance:

Assignment                               Merger  
 Security Agreement                       Change of Name  
 Other \_\_\_\_\_

Execution Date: October 26, 2001

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State \_\_\_\_\_  
 Other New York banking corporation

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designation 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)

B. Trademark Registration No.(s) **See Attached Continuation of Item 4**

Additional numbers attached?  Yes  No

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

Name: Michael Holland, Esq.  
Internal Address: Simpson Thacher & Bartlett  
\_\_\_\_\_  
Street Address: 425 Lexington Avenue  
\_\_\_\_\_  
City: New York State: New York ZIP: 10017

6. Total number of applications and registrations involved: 51

7. Total fee (37 CFR 3.41): ..... \$ 1,290.00  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_  
(Attached 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.*

Michael Holland, Esq.                      Michael Holland                      11/8/01  
Name of Person Signing                      Signature                      Date

Total number of pages comprising cover sheet: 13

11/14/2001 6TOM11 00000043 788633  
01 FC:481 40.00 DP  
02 FC:482 1250.00 DP

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents and Trademarks, Box Assignments  
Washington, D.C. 20231

**TRADEMARK**  
**REEL: 002387 FRAME: 0425**

**CONTINUATION OF ITEM 4**

<b>REGISTRATION NO.</b>	<b>REGISTRATION NO.</b>
45,425	788,633
45,389	1,826,369
725,234	809,107
1,573,385	756,663
874,547	2,156,656
1,314,628	1,366,692
719,269	1,550,983
1,372,588	1,190,702
1,270,773	1,528,269
1,126,111	1,392,374
2,149,366	966,378
502,630	1,488,473
2,169,908	262,732
1,367,640	1,195,722
806,588	757,145
1,430,204	868,904
1,329,606	1,755,340
1,305,034	1,371,314
1,019,407	1,696,110
1,816,892	1,432,960
1,383,392	855,810
1,999,666	1,342,655
2,044,459	1,280,755
2,132,096	1,325,851
1,289,040	1,384,304
696,627	

GRANT OF  
SECURITY INTEREST IN TRADEMARK RIGHTS

THIS GRANT OF SECURITY INTEREST IN TRADEMARK RIGHTS ("Agreement"), dated as of October 26, 2001 is made by Dal-Elit, L.P., a Texas limited partnership (the "Obligor"), in favor of The Chase Manhattan Bank, as Administrative Agent (the "Agent") for the several banks and other financial institutions (the "Lenders"), parties to the Amended and Restated Credit and Guarantee Agreement, dated as of August 14, 1996, as amended and restated as of October 26, 2001 (as the same may be further amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Dal-Tile International Inc., a Delaware corporation, Dal-Tile Group Inc., a Delaware corporation (the "Borrower"), the Agent, Bank of America, N.A., as Syndication Agent, Credit Lyonnais New York Branch, First Union National Bank and Mizuho Financial Group, as Co-Documentation Agents, and the Lenders. Capitalized terms not defined herein shall have the meanings ascribed to them in the guarantee and Collateral Agreement.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans and other extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein; and

WHEREAS, in connection with the Credit Agreement, the Obligor and certain other subsidiaries of the Borrower has executed and delivered the Amended and Restated Collateral Agreement, dated as of June 19, 1997, as amended and restated as of October 26, 2001, in favor of Agent (together with all amendments and modifications, if any, from time to time thereafter made thereto, the "Collateral Agreement");

WHEREAS, pursuant to the Collateral Agreement, Obligor pledged and granted to the Agent for the benefit of the Agent and the Lenders a continuing security interest in all Intellectual Property, including the Trademarks; and

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

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make Loans and other financial accommodations to the Borrower pursuant to the Credit Agreement, Obligor agrees, for the benefit of the Agent and the Lenders, 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 or provided by reference in the Credit Agreement and the Collateral Agreement.

SECTION 2. Grant of Security Interest. Obligor hereby pledges and grants a continuing security interest in, and a right of setoff against, and effective upon demand made upon the occurrence and during the continuance of an Event of Default assigns, transfers and conveys, the Trademarks (including, without limitation, those items listed on Schedule A hereto), to the Agent for the benefit of the Agent and the Lenders to secure payment, performance and observance of the Obligations.

SECTION 3. Purpose. This Agreement has been executed and delivered by Obligor for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. The security interest granted hereby has been granted to the Lenders in connection with the Guarantee and Collateral Agreement and is expressly subject to the terms and conditions thereof. The Guarantee and Collateral Agreement (and all rights and remedies of the Lenders thereunder) shall remain in full force and effect in accordance with its terms.

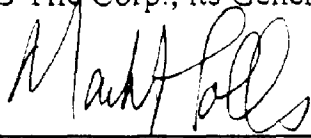
SECTION 4. Acknowledgment. Obligor does hereby further acknowledge and affirm that the rights and remedies of the Lenders with respect to the security interest in the Trademarks granted hereby are more fully set forth in the Credit Agreement and the Guarantee and Collateral Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 5. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

DAL-ELIT, L.P.

By: DTG Tile Corp., its General Partner

By: 

Name: Mark A. Soils

Title: Vice President / Secretary

THE CHASE MANHATTAN BANK,  
as Administrative Agent for the Lenders

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

Name:

Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

DAL-ELIT, L.P.

By: DTG Tile Corp., its General Partner

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

Name:

Title:

THE CHASE MANHATTAN BANK,  
as Administrative Agent for the Lenders

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

Name:

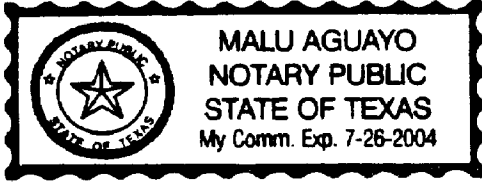
Title:

ALLEN K. KING, VICE PRESIDENT  
THE CHASE MANHATTAN BANK



STATE OF TEXAS )  
 ) ss  
COUNTY OF DALLAS )

On the 25<sup>th</sup> day of October, 2001, before me personally came ALLEN K. KING, who is personally known to me to be the VICE PRESIDENT of The Chase Manhattan Bank, a New York banking corporation; who, being duly sworn, did depose and say that she/he is the VICE PRESIDENT in such corporation, the corporation described in and which executed the foregoing instrument; that she/he executed and delivered said instrument pursuant to authority given by the Board of Directors of such corporation; and that she/he acknowledged said instrument to be the free act and deed of said corporation.



MALU AGUAYO  
Notary Public

(PLACE STAMP AND SEAL ABOVE)



**SCHEDULE A**

**U.S. Trademarks Registrations and Applications**

[Please see attached.]

TRADEMARKS REGISTERED IN U.S. PATENT AND TRADEMARK OFFICE

NO.	TRADEMARK NAME	DATE OF FIRST USE	SERIAL NUMBER	REGISTRATION NUMBER	REGISTRATION DATE	NEXT ACTION DUE / DATE
1	A.E. Tile Co.	1880	71/000,884	45,425	8/15/05	Renewal due 8/15/2005
2	A.E.T. Co.	1880	71/000,885	45,389	8/15/05	Renewal due 8/15/2005
3	Am. Olean & Design	12/58	72/116,860	725,234	12/19/61	Renewal due 12/19/2001
4	American Olean	12/28/88	73/790,176	1,573,385	12/26/89	Renewal due 12/26/2009
5	American	2/18/57	72/311,000	874,547	8/12/69	Renewal due 8/12/2009
6	Anchor-Bak	3/15/83	73/419,611	1,314,628	1/15/85	Renewal due 1/15/2005
7	Ceramic Classics	1/17/64	72/185,347	719,269	1/22/65	Renewal due 1/22/2005
8	Ceramic Entertainment Center	4/24/85	73/540,452	1,372,588	11/26/85	Renewal due 11/26/2005
9	Cleartones	11/23/82	73/409,716	1,270,773	3/20/84	Renewal due 3/20/2004
10	Crystalline	7/21/78	73/185,508	1,126,111	10/16/79	Renewal due 10/16/2009
11	Dakota	1/26/96	75/270,229	2,149,366	4/7/98	Sec. 8 & 15 Decl. due 4/7/2004
12	Dal Tile	6/3/47	71/529,883	502,630	10/5/48	Renewal due 10/5/2008
13	Dal Tile & Design	1/96	74/735,090	2,169,908	6/30/98	Sec. 8 & 15 Decl. due 6/30/2004
14	Dal Duraflor	6/30/84	73/522,313	1,367,640	10/29/85	Renewal due 10/29/2005
15	Dal-Monte	6/1/56	72/208,044	806,588	4/5/66	Renewal due 4/5/2006
16	Decorating Example	1/13/86	73/591,589	1,430,204	2/24/87	Renewal due 2/24/2007
17	Designer Accents	6/1/84	73/487,879	1,329,606	4/9/85	Renewal due 4/9/2005

DAL-TILE CORPORATION - TRADEMARKS REGISTERED IN U.S. PATENT OFFICE

NO.	TRADEMARK NAME	DATE OF FIRST USE	SERIAL NUMBER	REGISTRATION NUMBER	REGISTRATION DATE	NEXT ACTION DUE / DATE
18	Dimensions	4/29/83	73/427,049	1,305,034	11/13/84	Renewal due 11/13/2004
19	Easy Set	5/22/74	73/025,066	1,019,407	9/2/75	Renewal due 9/2/2005
20	Egyptstones	8/14/92	74/389,897	1,816,892	1/18/94	Renewal due 1/18/2004
21	Elegance	4/16/85	73/541,753	1,383,392	1/18/86	Renewal due 2/18/2006
22	French Quarter	2/95	74/725,931	1,999,666	9/10/96	Renewal due 9/10/2006
23	Gold Rush Series	2/1/95	74/621,866	2,044,459	3/11/97	Sec. 8 & 15 Decl. due 3/11/03
24	Home Source	7/95	75/139,985	2,132,096	12/23/97	Sec. 8 & 15 Decl. due 12/23/2003
25	Lock-Bak	12/21/82	73/416,662	1,289,040	8/7/84	Renewal due 8/7/2004
26	Master-Set	7/14/59	72/078,104	696,627	4/26/60	Renewal due 4/26/2010
27	Master-Trim	10/18/63	72/185,348	788,633	4/27/65	Renewal due 4/27/2005
28	Mix & Matchables	11/22/91	74/252,756	1,826,369	3/15/94	Renewal due 3/15/2004
29	Murray	6/20/21	72/208,428	809,107	5/31/66	Renewal due 5/31/2006
30	P and Design	10/1/61	72/154,510	756,663	9/17/63	Renewal due 9/17/2003
31	Provence	1/26/96	75/270,559	2,156,656	5/12/98	Sec. 8 & 15 Decl. due 5/12/2004
32	Quarry Mesa	11/8/84	73/524,263	1,366,692	10/22/85	Renewal due 10/22/2005
33	Quarry Guard	1/7/88	73/753,959	1,550,983	8/8/89	Renewal due 8/8/2009
34	Quarry Naturals	8/6/80	73/279,608	1,190,702	2/23/82	Renewal due 2/23/2012

DAL-TILE CORPORATION - TRADEMARKS REGISTERED IN U.S. PATENT OFFICE

NO.	TRADEMARK NAME	DATE OF FIRST USE	SERIAL NUMBER	REGISTRATION NUMBER	REGISTRATION DATE	NEXT ACTION DUE / DATE
35	Quartzstream	7/26/88	73/751,354	1,528,269	3/7/89	Renewal due 3/7/2009
36	Radiance	7/25/85	73/555,527	1,392,374	5/6/86	Renewal due 5/6/2006
37	Redi-Set	10/29/62	72/386,555	966,378	8/21/73	Renewal due 8/21/2003
38	Satinglo	10/3/86	73/685,044	1,488,473	5/17/88	Renewal due 5/17/2008
39	Shadow Flash	4/1/29	71/281,977	262,732	10/22/29	Renewal due 10/22/2009
40	Siena	1/18/80	73/249,589	1,195,722	5/18/82	Renewal due 5/18/2002
41	Signature Tile	5/31/62	72/154,509	757,145	9/24/63	Renewal due 9/24/2003
42	Space-Rite	3/7/68	72/297,213	868,904	5/6/69	Renewal due 5/6/2009
43	Subtle Steps	1/5/92	74/292,090	1,755,340	3/2/93	Renewal due 3/2/2003
44	Suedetones	4/30/85	73/540,506	1,371,314	11/19/85	Renewal due 11/19/2005
45	Sure Step	12/21/90	74/194,420	1,696,110	6/23/92	Renewal due 6/23/2002
46	Tetra Paver	6/10/86	73/610,872	1,432,960	3/17/87	Renewal due 3/17/2007
47	Tetra Vitra	8/31/78	72/289,466	855,810	9/3/68	Renewal due 9/3/2008
48	Transit Tile	11/11/83	73/456,570	1,342,655	6/18/85	Renewal due 6/18/2005
49	Ultrapaver	11/9/82	73/408,818	1,280,755	6/5/84	Renewal due 6/5/2004
50	Whisper Colors	3/30/84	73/477,319	1,325,851	3/19/85	Renewal due 3/19/2005
51	Whisper Patterns	4/11/85	73/540,507	1,384,304	2/25/86	Renewal due 2/25/2006

LICENSES TO PATENTS

PATENT NAME	SERIAL NUMBER	FILING DATE	PATENT NUMBER	ISSUE DATE	NEXT ACTION DUE / DATE
Method Of Applying A Ceramic Image To A Complex Ceramic Article (US)	08/120,695	9/10/93	5418,041	5/23/95	Maintenance Fee due 5/23/2002
Method Of Applying A Ceramic Image To A Complex Ceramic Article and the Resulting Article (Canada)	2,095,493	5/4/93	Not issued	N/A	Annuity due 5/4/2002
Method Of Applying A Ceramic Image To A Complex Ceramic Article (Italy)	M193A000987	Unknown	1264449	Unknown	Annuity due 5/14/2002