

Form PTO-159-4
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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

1. Name of conveying party(ies):

Walls Holding Company, Inc.

- Individual(s) Association
 - General Partnership Limited Partnership
 - Corporation Delaware
 - Other _____
- Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: The Bank of New York Trust Company, N.A., as collateral agent

Internal Address: _____
Street Address: 600 North Pearl Street, Suite 420
City: Dallas State: TX ZIP: 75201

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

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 names(s) & address(es) attached? Yes No

3. Nature of conveyance:

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

Execution Date: July 12, 2004

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

838,870	65,268	231,388
1,406,835	639,414	1,125,594
1,404,175	705,266	1,377,385
887,543	2,000,548	2,157,064

Additional numbers attached? Yes No

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

Name: Robert J. Schneider

Internal Address: Chapman and Cutler LLP

Street Address: 111 West Monroe Street

City: Chicago State: IL ZIP: 60603

6. Total number of applications and trademarks involved:

12

7. Total fee (37 CFR 3.41)\$ 315.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

50-0305

(Attach duplicate copy of this page if paying by deposit account)
Attorney Docket No. 1592534

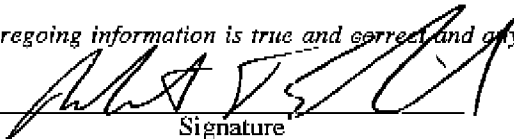
DO NOT USE THIS SPACE

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.

Robert J. Schneider

Name of Person Signing



Signature

July 19, 2004

Date

Total number of pages including cover sheet, attachments, and document: 10

MAIL DOCUMENTS TO BE RECORDED WITH REQUIRED COVER SHEET INFORMATION TO:
United States Patent and Trademark Office, Box Assignments
Washington, DC 20231

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT ("*Agreement*"), dated as of July 12, 2004, is by and between WALLS HOLDING COMPANY, INC., a Delaware corporation ("*Debtor*"), whose address is 1905 N. Main Street, Cleburne, Texas 76033 Attention: Chief Financial Officer, and THE BANK OF NEW YORK TRUST COMPANY, N.A., a national banking association, whose address is 600 North Pearl Street, Suite 420, Dallas, Texas 75201, Attention: John Stohlmann, in its capacity as collateral agent (the "*Collateral Agent*"), for the Holders (as hereinafter defined) under the Senior Second Lien Note Purchase Agreement (as amended, restated and supplemented from time to time, the "*Senior Second Lien Note Purchase Agreement*") of even date herewith, between WALLS INDUSTRIES, INC., CLEBURNE, TEXAS, a Delaware corporation ("*Borrower*") and each of the institutional investors which are signatories thereto or which may become a party thereto from time to time (individually, a "*Holder*" and, collectively, the "*Holder*s").

WHEREAS, Borrower and Holders have entered into the Senior Second Lien Note Purchase Agreement;

WHEREAS, Debtor and Collateral Agent on behalf of Holders have entered into a Security Agreement (Personal Property) of even date hereof (as said Security Agreement may be amended, restated, modified, supplemented and in effect from time to time, the "*Security Agreement*"), which sets forth in more detail certain terms and conditions relating to the matters agreed to herein;

WHEREAS, the Senior Second Lien Note Purchase Agreement contemplates the execution of this Agreement by the parties hereto and the recordation of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. *Grant of Security Interest.* Debtor does hereby grant to Collateral Agent on behalf of Holders a continuing security interest in all of the following (all of the following being herein collectively referred to as the "*Trademark Collateral*"), whether presently existing or hereafter arising or acquired, to secure the payment of the Debt (as defined in the Security Agreement):

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, designations, slogans, and other source or business identifiers, designs and general intangibles of like nature, and all prints, tags, brochures, advertisements, signage and labels on which any of the foregoing have appeared or appear, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith including, without limitation, any such registrations, recordings and applications, if any, in the United States Patent and Trademark Office, any State thereof, or any other country, and all renewals thereof (each of the foregoing items listed in this paragraph being herein called a "*Trademark*," and collectively called the "*Trademarks*"), including, without

limitation, each Trademark listed on Schedule 1 attached hereto (and all amendments, supplements, restatements and modifications thereof or thereto from time to time), and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark;

(b) each agreement granting any right to use any Trademark attached (each herein called a "Trademark License," and collectively called the "Trademark Licenses"), including, without limitation, each Trademark License listed in Schedule 1 (and all amendments, supplements, restatements and modifications thereof or thereto from time to time); and

(c) all substitutions for and improvements, products and proceeds of, and all renewals and replacements of, any of the foregoing, and all general intangibles relating to or arising in connection with any of the foregoing, including, without limitation, any claim with respect to same, including for past, present or future infringement or dilution of any Trademark, or for injury to the goodwill associated with any Trademark, or for unfair competition of any type or nature whatsoever, and all insurance and claims for insurance with respect to same.

2. *Miscellaneous.* This security interest is granted in conjunction with the Liens granted to Collateral Agent on behalf of Holders pursuant to the Security Agreement. Debtor does hereby further acknowledge and affirm that the rights and remedies of Collateral Agent and Holders with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement and the Senior Second Lien Note Purchase Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. The terms and provisions hereof are in addition to, and not in limitation of or limited by, those of the Security Agreement, the Senior Second Lien Note Purchase Agreement and the other Note Documents. The attached Schedule 1 is incorporated herein by reference for all purposes. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Senior Second Lien Note Purchase Agreement. **UNLESS OTHERWISE SPECIFIED THEREIN, EACH NOTE DOCUMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (BUT EXCLUDING THE CONFLICTS OF LAWS PRINCIPLES THEREOF OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW) AND THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION, THE UNITED STATES TRADEMARK LAWS.** This Agreement shall be binding upon Debtor, and the trustees, receivers, successors and assigns of Debtor, including all successors in interest of Debtor in and to all or any part of the Trademark Collateral, and shall benefit Collateral Agent and its successors and assigns. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and this Agreement shall be liberally construed so as to carry out the intent of the parties to it. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. The section headings appearing in this

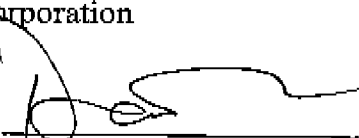
Agreement have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this Agreement.

IN WITNESS WHEREOF, Debtor and Collateral Agent have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of July 2, 2004.

DEBTOR:

WALLS HOLDING COMPANY, INC., a Delaware corporation

By:


Name: DAVID MANN

Title: Vice President + Secretary

COLLATERAL AGENT:

THE BANK OF NEW YORK TRUST COMPANY,
N.A., a national banking association, as
Collateral Agent

By:

Name: _____

Title: _____

Attachment:

Schedule 1 - Trademarks

Trademark Security Agreement
Walls Holding Company

IN WITNESS WHEREOF, Debtor and Collateral Agent have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of July ____, 2004.

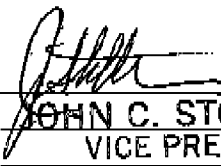
DEBTOR:

WALLS HOLDING COMPANY, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

COLLATERAL AGENT:

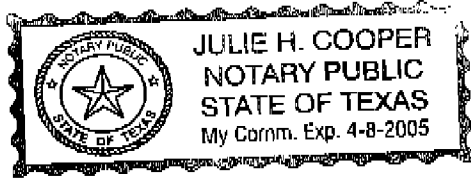
THE BANK OF NEW YORK TRUST COMPANY, N.A., a national banking association, as Collateral Agent

By:  _____
Name: JOHN C. STOHLMANN
Title: VICE PRESIDENT

Attachment:
Schedule 1 - Trademarks

THE STATE OF TEXAS)
COUNTY OF DALLAS)

This instrument was acknowledged before me on July 12, 2004, by DAVID MANN
Vice President + Secretary of WALLS HOLDING COMPANY, INC., a Delaware corporation,
on behalf of said corporation.



Julie H. Cooper
Notary Public in and for the
State of TEXAS
Printed Name: Julie H. COOPER
My Commission Expires:
4-8-2005

THE STATE OF _____)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2004, by _____
of THE BANK OF NEW YORK TRUST COMPANY, N.A., a
national banking association, as agent, on behalf of said corporation acting in said capacity.

Notary Public in and for the
State of _____
Printed Name: _____
My Commission Expires:

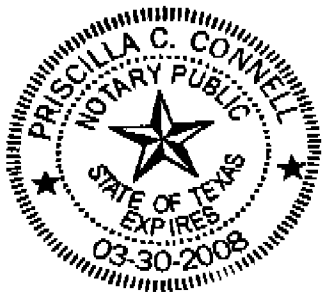
THE STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2004, by _____,
_____ of WALLS HOLDING COMPANY, INC., a Delaware corporation,
on behalf of said corporation.

Notary Public in and for the
State of _____
Printed Name: _____
My Commission Expires: _____

THE STATE OF TEXAS)
)
COUNTY OF DENTON }

This instrument was acknowledged before me on July 12, 2004, by John A. Stoblmann,
Vice President of THE BANK OF NEW YORK TRUST COMPANY, N.A., a national
banking association, as agent, on behalf of said corporation acting in said capacity.



Priscilla C. Connell
Notary Public in and for the
State of TEXAS
Printed Name: Priscilla C. Connell
My Commission Expires: 03-30-2008

SCHEDULE 1
TO TRADEMARK SECURITY AGREEMENT

TRADEMARKS

Owner	Trademark	Classes	App No / App date	Reg No/ Reg Date	Status
Walls Holding Company, Inc ("Walls Holding")	COMMANDER	25		838,870 14-Nov-1967	REG
Walls Holding	DUX BARK	25		1,406,835 26-Aug-1986	REG
Walls Holding	DUX BARK (Stylized)	25		1,404,175 05-Aug-1986	REG
Walls Holding	DUXBAK & Design	25		887,543 10-Mar-1970	REG
Walls Holding	DUXBAK (STYLIZED)	25		65,268 17-Sep-1907	REG
Walls Holding	DUXBAK (STYLIZED)	24		639,414 01-Jan-1957	REG
Walls Holding	FROST PROOF	25		705,266 04-Oct-1980	REG
Walls	MISCELLANEOUS	25		2,000,548	REG

SCHEDULE 1
(to Trademark Security Agreement)

TRADEMARK
REEL: 002895 FRAME: 0478

Owner	Trademark	Classes	App No / App date	Reg No/ Reg Date	Status
Holding	DESIGN (DUCK)			17-Sep-1996	
Walls Holding	PAKBAK	25		231,388 16-Aug-1927	REG
Walls Holding	STYLIZED DUCK DESIGN	25		1,125,594 02-Oct-1979	REG
Walls Holding	WHISPER-LITE	25		1,377,385 07-Jan-1986	REG
Walls Holding	WHISPER-SOFT	24		2,157,064 12-May-1998	REG