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02-10-2004

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Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Tab settings ⇨⇨⇨ ▼ ▼ ▼ ▼

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
- [x] Corporation-State Delaware
- [ ] Other

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

2. Name and address of receiving party(ies)

Name: Wells Fargo Bank, National Association, as Agent

Internal Address:

Street Address: 1000 Louisiana, 4th Floor

City: Houston State: TX Zip: 77002

- [ ] Individual(s) citizenship
- [x] Association National Association
- [ ] 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 name(s) & address(es) attached? [ ] Yes [ ] No

3. Nature of conveyance:

- [ ] Assignment
- [ ] Merger
- [x] Security Agreement
- [ ] Change of Name
- [ ] Other

Execution Date: January 26, 2004

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 65,268; 231,388; 639,414; 705,266; 887,543; 1,125,594; 1,377,385;

Additional number(s) attached [ ] Yes [x] No 1,404,175 and 1,406,835

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

Name: Diane K. Lettelleir

Internal Address: Winstead Sechrest & Minick P.C.

Street Address: P.O. Box 50784

City: Dallas State: TX Zip: 75201

6. Total number of applications and registrations involved: ..... 9

7. Total fee (37 CFR 3.41).....$ 240.00

- [x] Enclosed
- [x] Authorized to be charged to deposit account

8. Deposit account number:

23-2426

DO NOT USE THIS SPACE

9. Signature.

| Diane K. Lettelleir | Diane K Lettelleir | 2-5-2004 |
|---|---|---|
| Name of Person Signing | Signature | Date |

Total number of pages including cover sheet, attachments, and document: 6

02/09/2004 MGETACHE 00000049 639414
01 FC:8521 40.00 OP
02 FC:8522 200.00 OP

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

Express Mail Label
No. EL 859 421 257 US

# SECURITY INTEREST ASSIGNMENT OF TRADEMARKS

THIS SECURITY INTEREST ASSIGNMENT OF TRADEMARKS (this "Agreement") is entered into as of January 26, 2004, by and between WALLS HOLDING COMPANY, INC., a Delaware corporation (the "Debtor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Agent (in such capacity, the "Agent").

RECITALS:

A. Walls Industries, Inc., Cleburne, Texas (the "Borrower"), Debtor, certain lenders or other financial institutions or entities parties thereto (the "Lenders") and the Agent are parties to that certain Credit Agreement dated as of January 26, 2004 (as the same may be amended, restated, supplemented or modified from time to time, the "Credit Agreement").

B. Pursuant to the Credit Agreement, the Borrower, Debtor, the subsidiaries of the Borrower (the "Subsidiaries") and the Agent have entered into that certain Amended and Restated Security Agreement dated as of January 26, 2004 (as the same may be amended, restated, supplemented or modified from time to time, the "Security Agreement") which amends and restates (i) that certain Security Agreement dated as of March 20, 1997 executed by and among the Borrower, Debtor, the Subsidiaries and the Agent (as the same has been amended, restated, supplemented or modified from time to time, the "1997 Security Agreement") and (ii) that certain Security Agreement dated as of March 25, 2003 executed by and among the Borrower, Debtor, the Subsidiaries and the Agent (as the same has been amended, restated, supplemented or modified from time to time, the "2003 Security Agreement") pursuant to which the Debtor has granted to the Agent and the Lenders a lien on and security interest in certain Trademarks described therein, including all trademarks, service marks and trademark service mark registrations and applications, both foreign and domestic at any time owned by the Debtor, including without limitation, those described on Exhibit A hereto, and the goodwill represented thereby, and excluding any Trademark that would be rendered invalid, abandoned, void or unenforceable by reason of its being included herein and therein (collectively, the "Trademark Collateral"). Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Security Agreement.

C. It is a condition to the Agent's and the Lenders' obligations under the Credit Agreement that the parties hereto execute this Agreement to memorialize the granting of the security interest in and to the Trademark Collateral in a form suitable for recording in the United States Patent and Trademark Office.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions of the Security Agreement, the parties hereto agree as follows:

1. Grant of Security Interest. As collateral security for the prompt payment and performance in full when due of the Obligations (whether at stated maturity, by acceleration, or otherwise), the Debtor hereby grants to the Agent and the Lenders a security interest in all of Debtor's right, title and interest in and to the Trademark Collateral, including all rights and



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# EXHIBIT A

| Trademark Name | App No/ App date | Reg No/ Reg Date |
|---|---|---|
| DUX BARK | | 1,406,835<br>26-Aug-1986 |
| DUX BARK (Stylized) | | 1,404,175<br>05-Aug-1986 |
| DUXBAK & Design | | 887,543<br>10-Mar-1970 |
| DUXBAK (STYLIZED) | | 65,268<br>17-Sep-1907 |
| DUXBAK (STYLIZED) | | 639,414<br>01-Jan-1957 |
| FROST PROOF | | 705,266<br>04-Oct-1980 |
| PAKBAK | | 231,388<br>16-Aug-1927 |
| STYLIZED DUCK DESIGN | | 1,125,594<br>02-Oct-1979 |
| WHISPER-LITE | | 1,377,385<br>07-Jan-1986 |

interest associated with the foregoing including any licenses, license rights and royalties of all rights to sue or by opposition or cancellation proceedings for past, present and future infringements of such rights; and all proceeds of the foregoing.

2. After Acquired Trademark Collateral Rights. If the Debtor shall obtain rights to any new Trademark Collateral, the provisions of this Agreement shall automatically apply thereto. The Debtor shall give prompt notice in writing to the Agent with respect to any such new Trademark Collateral or renewal or extension of any Trademark registration. The Debtor shall bear any expenses incurred in connection with future applications for Trademark registration.

3. Assignment. All grants, covenants and agreements contained in this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that the Debtor may not delegate or assign any of its duties or obligations under this Agreement without the prior written consent of the Agent. THE AGENT RESERVES THE RIGHT TO ASSIGN ITS RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT IN WHOLE OR IN PART TO ANY PERSON OR ENTITY.

4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures transmitted by facsimile or other electronic means shall be effective as originals.

5. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO THE RULES THEREOF RELATING TO CONFLICTS OF LAW. THE DEBTOR HEREBY IRREVOCABLY SUBMITS ITSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN NEW YORK, AND AGREES AND CONSENTS THAT SERVICE OF PROCESS MAY BE MADE UPON IT IN ANY LEGAL PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER RELATIONSHIP BETWEEN THE AGENT AND THE DEBTOR BY ANY MEANS ALLOWED UNDER STATE OR FEDERAL LAW. ANY LEGAL PROCEEDING ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY OTHER RELATIONSHIP BETWEEN THE AGENT AND THE DEBTOR SHALL BE BROUGHT AND LITIGATED EXCLUSIVELY IN ANY ONE OF THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK, HAVING JURISDICTION UNLESS THE AGENT SHALL ELECT OTHERWISE. THE PARTIES HERETO HEREBY WAIVE AND AGREE NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE, THAT ANY SUCH PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR THAT THE VENUE THEREOF IS IMPROPER.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Debtor and the Agent have executed this Agreement by their duly authorized officers as of the date first above written.

DEBTOR:

WALLS HOLDING COMPANY, INC.

By: _____
Name: Michael B. Kramer
Title: CFO

STATE OF Florida §

§

COUNTY OF Leon §

The foregoing instrument was acknowledged before me this 23 day of January, 2004, by Michael B. Kramer, the CFO of WALLS HOLDING COMPANY, INC., a Delaware corporation, on behalf of the corporation.

Kathleen Joyce Armstrong
Notary Public
In and for the State of Florida
My Commission Expires:

Kathleen Joyce Armstrong
MY COMMISSION EXPIRES
December 12, 2007
#DD258072
Bonded thru
Troy Fain-Insurance
NOTARY PUBLIC, STATE OF FLORIDA

Signature Page to Security Interest Assignment of Trademarks

AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Agent

LAURA RAMIREZ
Notary Public
State of Texas
My Commission Expires
February 28, 2007

By: _____
Roger Fruendt
Vice President

STATE OF Texas §

§

COUNTY OF Harris §

The foregoing instrument was acknowledged before me this 22th day of January, 2004, by Roger Fruendt, a Vice President of WELLS FARGO BANK, NATIONAL ASSOCIATION, as Agent, a national banking association, on behalf of such national association.

Laura Ramirez
Notary Public
In and for the State of Texas
My Commission Expires: 02/28/07

Signature Page to Security Interest Assignment of Trademarks