

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Halex Corporation		12/30/2004	CORPORATION: CALIFORNIA

RECEIVING PARTY DATA

Name:	American Capital Financial Services, Inc.
Street Address:	2 Bethesda Metro Center, 14th Floor
City:	Bethesda
State/Country:	MARYLAND
Postal Code:	20814
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 9

Property Type	Number	Word Mark
Serial Number:	76572569	PLYFLOOR
Serial Number:	78149224	PLYGUARD
Serial Number:	78144072	PREFLOOR
Registration Number:	2113241	CAPITOL ADHESIVES
Registration Number:	2490530	DIXIE
Registration Number:	2684641	IQ
Registration Number:	2216250	ACCUPLY
Registration Number:	2684640	THE SMART WAY TO INSTALL
Registration Number:	2361293	CAPITOL

CORRESPONDENCE DATA

Fax Number:

(213)430-6407

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone:

(213) 430-8308

Email:

sgordon@omm.com

Correspondent Name:

Shari L. Gordon

TRADEMARK

REEL: 003000 FRAME: 0569

900017428

CH \$240.00 76572569

Address Line 1: 400 S. Hope Street
Address Line 2: O'Melveny & Myers LLP
Address Line 4: Los Angeles, CALIFORNIA 90071-2899

NAME OF SUBMITTER:	Priscila Castillo
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Signature:	/Priscila Castillo/
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Date:	01/03/2005
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Total Attachments: 9
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source=Dixie#page1.tif
source=Capitol#page1.tif

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT, dated as of December 30, 2004, is between **HALEX CORPORATION**, a California corporation (the "Grantor") and **AMERICAN CAPITAL FINANCIAL SERVICES, INC.**, a Delaware corporation, as Agent (in such capacity, the "Grantee") for the benefit of itself and all financial institutions and other Persons that from time to time become purchasers (the "Purchasers") under the Note and Equity Purchase Agreement (as such terms are hereinafter defined).

RECITALS

WHEREAS, the Grantor owns the Trademarks, Trademark registrations, and Trademark applications listed on **Schedule 1** annexed hereto, and is a party to the Trademark licenses listed on **Schedule 1** annexed hereto; and

WHEREAS, the Grantor, as the Borrower, has entered into that certain Amended and Restated Note and Equity Purchase Agreement of even date herewith (as the same may be amended, restated, modified or supplemented and in effect from time to time, the "Note and Equity Purchase Agreement"), with the Grantee, as Agent for the benefit of the Purchasers, and the other Purchasers, providing for extensions of credit and other financial accommodations to be made to the Grantor by the Purchasers; and

WHEREAS, pursuant to the terms of that certain Amended and Restated Security Agreement dated as of December 30, 2004 by and between the Grantor and the Grantee, for the benefit of the Grantee and the Purchasers (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), the Grantor has granted to the Grantee for the benefit of the Purchasers a security interest in substantially all the assets of the Grantor including all right, title and interest of the Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined in the Security Agreement), Trademark registrations, Trademark applications and Trademark licenses, together with the goodwill of the business symbolized by the Grantor's Trademarks, and all proceeds thereof, to secure the payment of the "Liabilities" (as defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor does hereby grant to the Grantee a continuing security interest in all of the Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter created or acquired:

- (1) each Trademark, Trademark registration and Trademark application, including, without limitation, the Trademarks, Trademark registrations (together with any reissues, continuations or extensions thereof) and Trademark applications referred to in Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark, Trademark registration and Trademark application;
- (2) each Trademark license and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark license; and

(3) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark or Trademark registration including, without limitation, the Trademarks and Trademark registrations referred to in Schedule 1 annexed hereto, the Trademark registrations issued with respect to the Trademark applications referred in Schedule 1 and the Trademarks licensed under any Trademark license, or (b) injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark license.

This security interest is granted in conjunction with the security interests granted to the Grantee pursuant to the Security Agreement and is not intended to increase the rights of the Grantee or the obligations of the Grantor beyond the rights and obligations contained in the Security Agreement. The Grantor hereby acknowledges and affirms that the rights and remedies of the Grantee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[remainder of page intentionally left blank;
signature page follows]

IN WITNESS WHEREOF, the Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer on this 30 day of December, 2004.

HALEX CORPORATION, a California corporation, as the Grantor

By: 

Name: Craig S. Silvers

Title: President and Treasurer

Acknowledged by the Grantee:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
a Delaware corporation, as the Agent

By: _____

Name: Frank Do

Title: Senior Vice President


IN WITNESS WHEREOF, the Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer on this 30 day of December, 2004.

HALEX CORPORATION, a California corporation, as the Grantor

By: _____
Name: Craig S. Silvers
Title: President and Treasurer

Acknowledged by the Grantee:

AMERICAN CAPITAL FINANCIAL SERVICES, INC.,
a Delaware corporation, as the Agent

By: 
Name: Frank Do
Title: Senior Vice President

Schedule 1
to Trademark Security Agreement

U.S. TRADEMARK REGISTRATIONS

<u>Trademarks</u>	<u>Goods/Services</u>	<u>Status in Trademark Office</u>	<u>Federal Ser. No.</u>	<u>Reg. No.</u>	<u>Filing Date</u>	<u>Registration Date</u>
CAPITOL ADHESIVES and Design	Adhesives for use in the flooring industry.	Registered (should have lapsed 11/18/03)	74/475,719	2,113,241	1/3/94	11/18/97
DIXIE and Design	Carpet cushions.	Registered	76/104,654	2,490,530	08/07/00	09/18/01
IQ (Stylized)	Adhesives for use in the floor covering industry.	Registered	76/314,926	2,684,641	09/18/01	02/04/03
ACCUPLY	Plywood sub-floor underlayment for use under sheet vinyl floor covering and carpet.	Registered	75/382,915	2,216,250	10/31/97	01/05/99
THE SMART WAY TO INSTALL	Adhesives for use in the floor covering industry	Registered	76/314,925	2,684,640	09/18/01	02/04/03
CAPITOL and Design	Adhesive for use in the floor covering industry and carpet seaming tape.	Registered	75/512,319	2,361,293	07/01/98	07/27/00

FOREIGN TRADEMARK REGISTRATIONS

None.

U.S. TRADEMARK APPLICATIONS

PLYFLOOR	Flooring underlayments	Active, pending	76/572,569		01/27/04	
PLYGUARD	Flooring underlayments	Active, pending	78/149,224		07/31/02	
PREFLOOR	Underlayments	Active, pending	78/144,072		07/15/02	

FOREIGN TRADEMARK APPLICATIONS

None.

Trademark Security Agreement

LA1:1062699

TRADEMARK
REEL: 003000 FRAME: 0575

TRADEMARK LICENSES

None.

Trademark Security Agreement

LA1:1062699

TRADEMARK
REEL: 003000 FRAME: 0576



 **DIXIE**

