

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant To Section 13 OR 15(d) Of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported)

September 16, 2011

PATRICK INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Indiana

(State or other jurisdiction of incorporation)

000-03922

(Commission File Number)

35-1057796

(IRS Employer Identification Number)

107 West Franklin, P.O. Box 638, Elkhart, Indiana

(Address of Principal Executive Offices)

46515

(Zip Code)

Registrant's Telephone Number, including area code

(574) 294-7511

(Former name or former address if changed since last report)

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

A.I.A. Countertops, LLC Acquisition

On September 19, 2011, Patrick Industries, Inc., an Indiana Corporation (the “Company” or “Patrick”), issued a press release announcing the acquisition of certain assets of A.I.A. Countertops, LLC (“AIA” or the “Seller”). The acquisition was completed on September 16, 2011 and was funded through (a) borrowings under the Company’s revolving secured senior credit facility (the “Credit Facility”), (b) the issuance of secured senior subordinated notes to Northcreek Mezzanine Fund I, L.P., a Delaware limited partnership (“Northcreek”), and Stinger Northcreek PATK LLC, a Delaware limited liability company and an affiliate of Northcreek (“Stinger Northcreek”), and (c) a subordinated secured promissory note to the Seller.

In connection with the financing of the acquisition of AIA, the Credit Agreement, dated as of March 31, 2011, that established the Credit Facility (the “Credit Agreement”), was amended to, among other things: (i) allow for the issuance to the Seller of the Company’s 10% \$2.0 million subordinated secured promissory note, and (ii) allow for the issuance to Northcreek and Stinger Northcreek of \$2.7 million principal amount of secured senior subordinated notes. In connection with the amendment to the Credit Agreement, the lenders that are party thereto consented to the acquisition of AIA and to the exclusion of the consideration paid from the aggregate consideration payable in respect of all Permitted Acquisitions as defined in the Credit Agreement. A copy of the Consent and First Amendment to the Credit Agreement, dated September 16, 2011, is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Secured Senior Subordinated Notes

Secured Senior Subordinated Notes in the aggregate principal amount of \$2.7 million (the “Notes”) were issued to Northcreek and Stinger Northcreek under the Company’s Secured Senior Subordinated Note and Warrant Purchase Agreement, dated March 31, 2011 (the “Note Purchase Agreement”), as amended by the First Amendment to the Note Purchase Agreement dated September 16, 2011 (the “NPA First Amendment”). The Notes are secured by a pledge of substantially all of the assets of the Company, pursuant to a Security Agreement, dated March 31, 2011, between the Company and Northcreek as Collateral Agent. The Notes are subordinated to the Credit Facility pursuant to the Subordination and Intercreditor Agreement, dated March 31, 2011 (the “Subordination Agreement”), as amended by the Consent, Joinder and First Amendment to the Subordination Agreement, dated September 16, 2011 (the “Subordination Agreement Amendment”). The Notes bear interest at 13% per annum and mature on March 31, 2016. The Company may prepay all or any portion of the Notes at any time, subject to payment of a premium if prepaid on or prior to March 31, 2014. Any amounts not paid when due shall bear interest at a rate which is 2.0% per annum in excess of the rate of interest otherwise payable on the Notes. Copies of the NPA First Amendment (including a form of the Notes) and the Subordination Agreement Amendment are attached hereto as Exhibits 10.2 and 10.3 and incorporated herein by reference.

Pursuant to the NPA First Amendment and to the Warrant Agreement, dated March 31, 2011, as amended by the First Amendment to the Warrant Agreement, dated September 16, 2011 (the “Warrant Agreement Amendment”), the Company issued warrants to purchase 135,000 shares of the Company’s common stock to Northcreek and Stinger Northcreek at an exercise price of

\$0.01 per share (the "September 2011 Warrants"). The September 2011 Warrants are immediately exercisable, subject to anti-dilution provisions, and expire on March 31, 2016. A copy of each of the September 2011 Warrants and the Warrant Agreement Amendment are attached hereto as Exhibits 10.4, 10.5 and 10.6 and incorporated herein by reference.

On September 16, 2011, the Company entered into Amendment No. 2 to the Second Amended and Restated Registration Rights Agreement, dated as of March 31, 2011 (the "Registration Rights Agreement"). The Registration Rights Agreement, as amended, provides that the Company shall file a registration statement on Form S-3 registering the shares of common stock that may be issued upon the exercise of the September 2011 Warrants and provides Northcreek and Stinger Northcreek certain demand registration rights and piggy-back registration rights in the event the Company files a registration statement with the Securities and Exchange Commission, subject to certain exceptions. A copy of Amendment No. 2 to the Registration Rights Agreement is attached hereto as Exhibit 10.7 and incorporated herein by reference.

Subordinated Secured Promissory Note

On September 16, 2011, the Company issued a 10% Subordinated Secured Promissory Note (the "Promissory Note") to the Seller in the principal amount of \$2.0 million. The Promissory Note is secured by the Company's inventory and accounts receivable and is subordinated to the security interests of the Credit Agreement and the Note Purchase Agreement. The Promissory Note matures on September 16, 2013. A copy of the Promissory Note is attached hereto as Exhibit 10.8 and incorporated herein by reference.

The foregoing descriptions of the amendments to the Credit Agreement, the Note Purchase Agreement, the Subordination Agreement, the Warrant Agreement, and the Registration Rights Agreement, and the September 2011 Warrants and the Promissory Note, are qualified in their entirety by the actual agreements, which are attached to this Form 8-K as Exhibits 10.1 through 10.8 and incorporated by reference into this Report.

On September 19, 2011, the Company issued a press release announcing the completion of the acquisition of AIA. A copy of the press release is attached hereto as Exhibit 99.1.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 above is incorporated herein by reference into this Section 2.03 of this Report.

Item 3.02 Unregistered Sale of Equity Securities

The information regarding the Warrants set forth under Item 1.01 above is incorporated herein by reference into this Section 3.02 of this Report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

[Exhibit 10.1](#) – Consent and First Amendment, dated September 16, 2011, to the Credit Agreement, dated as of March 31, 2011, between Patrick Industries, Inc., the lenders party thereto and Wells Fargo Capital Finance, LLC, as the Agent.

[Exhibit 10.2](#) – First Amendment, dated September 16, 2011, to the Secured Senior Subordinated Note and Warrant Purchase Agreement, dated as of March 31, 2011, between Patrick Industries, Inc. and Tontine Capital Overseas Master Fund II, L.P., Northcreek Mezzanine Fund I, L.P., and Stinger Northcreek PATK LLC, including form of Note.

[Exhibit 10.3](#) – Consent, Joinder and First Amendment, dated September 16, 2011, to the Subordination and Intercreditor Agreement, dated as of March 31, 2011, among Wells Fargo Capital Finance, LLC, and Patrick Industries, Inc., Tontine Capital Overseas Master Fund II, L.P., Stinger Northcreek PATK LLC and Northcreek Mezzanine Fund I, L.P. (on its behalf and as Collateral Agent).

[Exhibit 10.4](#) - Warrant to purchase 85,000 shares of common stock of Patrick Industries, Inc. issued to Northcreek Mezzanine Fund I, L.P. on September 16, 2011.

[Exhibit 10.5](#) - Warrant to purchase 50,000 shares of common stock of Patrick Industries, Inc. issued to Stinger Northcreek PATK LLC on September 16, 2011.

[Exhibit 10.6](#) – First Amendment, dated September 16, 2011, to the Warrant Agreement, dated as of March 31, 2011, between Patrick Industries, Inc. and Tontine Capital Overseas Master Fund II, L.P., Northcreek Mezzanine Fund I, L.P., and Stinger Northcreek PATK LLC.

[Exhibit 10.7](#) - Amendment No. 2, dated September 16, 2011, to the Second Amended and Restated Registration Rights Agreement, dated as of March 31, 2011, between Patrick Industries, Inc. and Tontine Capital Overseas Master Fund II, L.P., Northcreek Mezzanine Fund I, L.P., and Stinger Northcreek PATK LLC.

[Exhibit 10.8](#) – Subordinated Secured Promissory Note, dated September 16, 2011, issued by Patrick Industries, Inc. to A.I.A. Countertops, LLC.

[Exhibit 99.1](#) - Press Release issued September 19, 2011.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PATRICK INDUSTRIES, INC.

(Registrant)

Date: September 22, 2011

BY: /s/ Andy L. Nemeth
Andy L. Nemeth
Executive Vice President – Finance and
Chief Financial Officer

CONSENT AND FIRST AMENDMENT TO CREDIT AGREEMENT

THIS CONSENT AND FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into as of September 16, 2011, by and among WELLS FARGO CAPITAL FINANCE, LLC, a Delaware limited liability company, as administrative agent ("Agent") for the Lenders (as defined in the Credit Agreement referred to below), the Lenders party hereto, and PATRICK INDUSTRIES, INC., an Indiana corporation ("Borrower").

WHEREAS, Borrower, Agent, and Lenders are parties to that certain Credit Agreement dated as of March 31, 2011 (as amended, restated, modified or supplemented from time to time, the "Credit Agreement");

WHEREAS, Borrower has informed Agent and Lenders that Borrower desires to purchase all or substantially all of the assets of A.I.A. Countertops, LLC, an Indiana limited liability company ("AIA Seller"), pursuant to that certain Asset Purchase Agreement dated as of the date hereof, a copy of which is attached hereto as Exhibit A (the "AIA Acquisition Agreement") by and among Borrower, AIA Seller and the members of AIA Seller (such acquisition, the "AIA Acquisition") which purchase, absent requisite Lender consent, would otherwise be prohibited by Section 6.3(a) of the Credit Agreement;

WHEREAS, the AIA Acquisition will be financed in part through issuance by Borrower of a subordinated secured promissory note in the original principal amount of \$2,000,000 (the "Secured AIA Seller Note"), which promissory note and related security interest, absent requisite Lender consent, would otherwise be prohibited by Section 6.1 and 6.2 of the Credit Agreement; and

WHEREAS, Borrower has requested that Agent and the Lenders consent to the AIA Acquisition without reduction of the aggregate dollar limit on Permitted Acquisitions in the definition thereof, consent to the issuance of the Secured AIA Seller Note and related grant of lien and amend the Credit Agreement in certain respects as set forth herein, and Agent and the Lenders have agreed to the foregoing, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Credit Agreement.

2. Consent. In reliance upon the representations and warranties of Borrower set forth in Section 7 below, and subject to the satisfaction of the conditions to effectiveness set forth in Section 6 below, Agent and Lenders hereby (a) consent to the consummation of the AIA Acquisition in accordance with the terms of the AIA Acquisition Agreement; provided that the purchase consideration payable in respect of the AIA Acquisition (including deferred payment obligations) shall not exceed \$7,700,000 in the aggregate, subject to working capital adjustments at closing in accordance with the terms of the AIA Acquisition Agreement, (b) agree that, notwithstanding anything to the contrary contained in the Credit Agreement or any other Loan Document, the AIA Acquisition shall be considered a "Permitted Acquisition" for all purposes

thereunder (other than with respect to clause (k) of the definition of "Permitted Acquisitions" set forth on Schedule 1.1 to the Credit Agreement), and (c) agree that the Inventory purchased by Borrower pursuant to the AIA Acquisition Agreement and located at the new location of Borrower acquired in connection therewith may constitute Inventory so long as such Inventory is not excluded as ineligible by virtue of one or more of the excluding criteria set forth in the definition of "Eligible Inventory" set forth on Schedule 1.1 to the Credit Agreement and Agent has received a fully-executed Collateral Access Agreement with respect to the location of Borrower where such Inventory is located, but regardless of whether Agent has completed a field audit, examination report or appraisal with respect to such Inventory. Except as expressly set forth in this Amendment, the foregoing consent shall not constitute (i) a modification or alteration of the terms, conditions or covenants of the Credit Agreement or any other Loan Document or (ii) a waiver, release or limitation upon the exercise by Agent and/or Lenders of any of their respective rights, legal or equitable thereunder.

3 . Amendments to Credit Agreement. In reliance upon the representations and warranties of Borrower set forth in Section 7 below, and subject to the satisfaction of the conditions to effectiveness set forth in Section 6 below, the Credit Agreement is hereby amended as follows:

(a) The defined terms "AIA Acquisition", "AIA Acquisition Agreement", "AIA Acquisition Documents", "AIA Seller", "AIA Subordinated Debt", "AIA Subordinated Debt Documents", "AIA Subordination Agreement", and "First Amendment Effective Date" are each hereby added to Schedule 1.1 to the Credit Agreement in their proper alphabetical order as follows:

"AIA Acquisition" means the purchase by Borrower of all or substantially all of the assets of AIA Seller on the First Amendment Effective Date pursuant to and in accordance with the AIA Acquisition Documents

"AIA Acquisition Agreement" means that certain Asset Purchase Agreement dated as of the First Amendment Effective Date by and among Borrower, AIA Seller and the members of AIA Seller.

"AIA Acquisition Documents" means the AIA Acquisition and all other agreements, instruments and documents relating thereto.

"AIA Members" means Richard Hicks, Roger Korenstra, Sam Korenstra and Bruce Korenstra.

"AIA Seller" means A.I.A. Countertops, LLC, an Indiana limited liability company and, upon the dissolution of A.I.A. Countertops, LLC after the consummation of the AIA Acquisition, the AIA Members.

"AIA Subordinated Debt" means the Indebtedness in the original principal amount of \$2,000,000 issued by Borrower to AIA Seller, constituting a portion of the purchase price of the AIA Acquisition, evidenced by the AIA Subordinated Debt Documents and subject to the AIA Subordination Agreement.

"AIA Subordinated Debt Documents" means that certain Subordinated Secured Promissory Note dated as of the First Amendment Effective Date made by the Borrower in favor of AIA Seller and all other agreements, instruments and documents relating thereto.

"AIA Subordination Agreement" means that certain Subordination and Intercreditor Agreement dated as of the First Amendment Effective Date among Agent, AIA Seller and Loan Parties.

"First Amendment Effective Date" means September 16, 2011.

(b) The definition of "Permitted Indebtedness" set forth on Schedule 1.1 to the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of clause (o), (ii) deleting the "." at the end of clause (p) and inserting ", and" in lieu thereof, and (iii) inserting a new clause (q) immediately after clause (p) as follows:

(q) the AIA Subordinated Debt.

(c) The definition of "Permitted Liens" set forth in Schedule 1.1 to the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of clause (t), (ii) amending and restating clause (u) as follows, and (iii) inserting a new clause (v) immediately after clause (u) as follows:

(u) Liens on (i) Accounts, (ii) Inventory and (iii) all additions and accessions to, substitutions for, and replacements, products and proceeds of such Accounts and Inventory, including without limitation, all of the Company's books and records relating to such Accounts and Inventory, securing the AIA Subordinated Debt and subject to the AIA Subordination Agreement, and

(v) other Liens which do not secure Indebtedness for borrowed money or letters of credit and as to which the aggregate amount of the obligations secured thereby does not exceed \$250,000.

(d) The defined term "Subordinated Debt" set forth on Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

"Subordinated Debt" means (i) the Indebtedness in the original principal amount of \$5,000,000 (plus payment-in-kind interest) issued by Borrower to Subordinated Lenders on the Closing Date, evidenced by the Subordinated Debt Documents and subject to the Subordination Agreement, (ii) the Indebtedness in the original principal amount of \$2,700,000 (plus payment-in-kind interest) issued by Borrower to Subordinated Lenders on the First Amendment Effective Date, evidenced by the Subordinated Debt Documents and subject to the Subordination Agreement, and (iii) additional Indebtedness of up to an original aggregate principal amount of \$300,000 (plus payment-in-kind interest) issued by Borrower to one or more Subordinated Lenders, evidenced by the Subordinated Debt Documents and subject to the Subordination Agreement, and at the same or lower rate of cash and total interest, with the same maturity date as the Subordinated

Debt issued on the First Amendment Effective Date, with no scheduled amortization, and otherwise on the same terms and conditions, as the Subordinated Debt issued on the First Amendment Effective Date.

(e) The defined term "Subordinated Debt Documents" set forth on Schedule 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

"Subordinated Debt Documents" means that certain Secured Senior Subordinated Note and Warrant Purchase Agreement dated as of the Closing Date between Subordinated Lenders and Borrower, as amended on the First Amendment Effective Date by that certain First Amendment to Secured Senior Subordinated Note and Warrant Purchase Agreement, and all other agreements, instruments and documents relating thereto.

(f) Schedule E-1 to the Credit Agreement is amended by adding the following locations:

1. 1515 Leninger, Elkhart, Indiana 46517
2. 502 West Railroad Avenue, Syracuse, Indiana 46567

4. Continuing Effect. Except as expressly set forth in Section 2 of this Amendment, nothing in this Amendment shall constitute a modification or alteration of the terms, conditions or covenants of the Credit Agreement or any other Loan Document, or a waiver of any other terms or provisions thereof, and the Credit Agreement and the other Loan Documents shall remain unchanged and shall continue in full force and effect, in each case as amended hereby.

5. Reaffirmation and Confirmation. Borrower hereby ratifies, affirms, acknowledges and agrees that the Credit Agreement and the other Loan Documents to which it is a party represent the valid, enforceable and collectible obligations of Borrower, and further acknowledges that there are no existing claims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to the Credit Agreement or any other Loan Document. Borrower hereby agrees that this Amendment in no way acts as a release or relinquishment of the Liens and rights securing payments of the Obligations. The Liens and rights securing payment of the Obligations are hereby ratified and confirmed by Borrower in all respects.

6. Conditions to Effectiveness. This Amendment shall become effective upon the satisfaction of each of the following conditions precedent:

(a) Agent shall have received a copy of this Amendment executed and delivered by Agent, the Lenders and the Loan Parties, together with each of the additional documents, instruments and agreements listed on the closing checklist attached hereto as Exhibit B; and

(b) no Default or Event of Default shall have occurred and be continuing on the date hereof or as of the date of the effectiveness of this Amendment.

7 . Representations and Warranties. In order to induce Agent and Lenders to enter into this Amendment, Borrower hereby represents and warrants to Agent and Lenders that:

(a) after giving effect to this Amendment, all representations and warranties contained in the Loan Documents to which Borrower is a party are true, correct and complete in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of this Amendment, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true, correct and complete in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date);

(b) no Default or Event of Default has occurred and is continuing; and

(c) this Amendment and the Loan Documents, as amended hereby, constitute legal, valid and binding obligations of Borrower and are enforceable against Borrower in accordance with their respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally.

8. Miscellaneous.

(a) Expenses. Borrower agrees to pay on demand all reasonable costs and expenses of Agent and the Lenders (including reasonable attorneys fees) incurred in connection with the preparation, negotiation, execution, delivery and administration of this Amendment and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith. All obligations provided herein shall survive any termination of this Amendment and the Credit Agreement as amended hereby.

(b) Choice of Law and Venue; Jury Trial Waiver; Reference Provision. Without limiting the applicability of any other provision of the Credit Agreement or any other Loan Document, the terms and provisions set forth in Section 12 of the Credit Agreement are expressly incorporated herein by reference.

(c) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment.

9. Release.

(a) In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower by its execution and delivery of the Consent and Reaffirmation attached hereto, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges

Agent and Lenders, and their successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, controversies, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which Borrower or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment for or on account of, or in relation to, or in any way in connection with any of the Credit Agreement, or any of the other Loan Documents or transactions thereunder or related thereto.

(b) Borrower understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Borrower agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

[Signature Page Follows]

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

PATRICK INDUSTRIES, INC.,
an Indiana corporation

By: /s/ Andy L. Nemeth
Title: Executive Vice President of Finance, Chief
Financial Officer, Secretary & Treasurer

WELLS FARGO CAPITAL FINANCE, LLC,
a Delaware limited liability company, as Agent and as a Lender

By: /s/ Lauren Dixon
Name: Lauren Dixon
Title: Vice President

Signature Page to Consent and First Amendment to Credit Agreement

FIFTH THIRD BANK,
as a Lender

By: /s/ Craig Ellis
Name: Craig Ellis
Title: Vice President

Signature Page to Consent and First Amendment to Credit Agreement

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AND INTERCREDITOR AGREEMENT (AS THE SAME MAY BE AMENDED OR OTHERWISE MODIFIED FROM TIME TO TIME PURSUANT TO THE TERMS THEREOF, THE “**SUBORDINATION AGREEMENT**”) DATED AS OF MARCH 31, 2011 AMONG PATRICK INDUSTRIES, INC., AN INDIANA CORPORATION (THE “**COMPANY**”), TONTINE CAPITAL OVERSEAS MASTER FUND II, L.P., A CAYMAN ISLANDS LIMITED PARTNERSHIP, NORTHCREEK MEZZANINE FUND I, L.P., A DELAWARE LIMITED PARTNERSHIP, ON ITS BEHALF AND IN ITS CAPACITY AS COLLATERAL AGENT, AND WELLS FARGO CAPITAL FINANCE, LLC (“**WFCF**”), AS AMENDED BY THE CONSENT, JOINDER AND FIRST AMENDMENT TO SUBORDINATION AGREEMENT DATED SEPTEMBER 16, 2011 AMONG THE ABOVE-NAMED PARTIES AND STINGER NORTHCREEK PATK LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY THE CREDIT PARTIES (AS DEFINED IN THE SUBORDINATION AGREEMENT) PURSUANT TO THAT CERTAIN CREDIT AGREEMENT DATED AS OF MARCH 31, 2011 AMONG THE COMPANY, WFCF AND THE LENDERS FROM TIME TO TIME PARTY THERETO (THE “**SENIOR CREDIT AGREEMENT**”), AND THE OTHER SENIOR DEBT DOCUMENTS (AS DEFINED IN THE SUBORDINATION AGREEMENT), AS SUCH SENIOR CREDIT AGREEMENT, AND SUCH OTHER SENIOR DEBT DOCUMENTS HAVE BEEN AND HEREAFTER MAY BE AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME AND TO INDEBTEDNESS REFINANCING THE INDEBTEDNESS UNDER SUCH AGREEMENTS AS PERMITTED BY THE SUBORDINATION AGREEMENT.

**FIRST AMENDMENT
TO
SECURED SENIOR SUBORDINATED NOTE
AND
WARRANT PURCHASE AGREEMENT**

This FIRST AMENDMENT TO SECURED SENIOR SUBORDINATED NOTE AND WARRANT PURCHASE AGREEMENT (the "First Amendment") among Patrick Industries, Inc., an Indiana corporation (the “Company”); Tontine Capital Overseas Master Fund II, L.P., a Cayman Islands limited partnership (“Tontine”); Northcreek Mezzanine Fund I, L.P., a Delaware limited partnership (“Northcreek”); and Stinger Northcreek PATK LLC, a Delaware limited liability company (“Stinger Northcreek”) takes effect September 16, 2011.

RECITALS

A. The Company, Tontine, and Northcreek are parties to a Secured Senior Subordinated Note and Warrant Purchase Agreement dated March 31, 2011 (the “Note and Warrant Purchase Agreement”).

B. Under the Note and Warrant Purchase Agreement, Tontine and Northcreek each purchased from the Company a First Tranche Note in the original principal amount of \$2,500,000, and the

Company issued each of them a First Tranche Warrant to purchase 125,000 shares of Common Stock at the exercise price of \$0.01 per share.

C. The Company desires to consummate the AIA Acquisition in accordance with the AIA Documents. Absent Tontine's and Northcreek's consent, the AIA Acquisition would be prohibited under the Note and Warrant Purchase Agreement.

D. The AIA Acquisition will be financed in part through issuance by Company of the AIA Subordinated Debt. Absent Tontine's and Northcreek's consent, the AIA Subordinated Debt would be prohibited by the Note and Warrant Purchase Agreement.

E. To finance part of the AIA Acquisition, the Company has requested that Northcreek and Stinger Northcreek purchase additional Subordinated Debt in the original principal amount of \$2,700,000 and, in connection therewith, the Company wishes to issue to them Second Tranche Warrants to purchase 135,000 shares of Common Stock in the aggregate.

F. The Company has requested that Tontine and Northcreek consent to the AIA Acquisition without reducing the aggregate dollar limit set forth in the definition of Permitted Acquisitions, consent to the issuance of the AIA Subordinated Debt and related grant of lien, and amend the Note and Warrant Purchase Agreement in certain respects as set forth in this First Amendment, and Tontine and Northcreek have agreed to the foregoing, all on the terms and conditions set forth in this First Amendment.

Accordingly, in consideration of their mutual covenants and agreements set forth below and intending to be legally bound hereby, the parties agree as follows:

1. Recitals.

Recitals A – F above are incorporated into this First Amendment and are acknowledged by the Company as true and correct.

2. Definitions.

(a) Capitalized Terms, References. A term with its initial letter or initial letters capitalized that is used but not defined in this First Amendment (including the Recitals) has the meaning assigned to it in the Note and Warrant Purchase Agreement (as amended by this First Amendment). As used in this First Amendment, "including" is not a term of limitation and means "including without limitation." Each reference to "hereof," "hereunder," "herein," and "hereby" and similar references contained in the Note and Warrant Purchase Agreement and each reference to "this Agreement" and similar references contained in the Note and Warrant Purchase Agreement, on and after the date of this First Amendment, will refer to the Note and Warrant Purchase Agreement as amended by this First Amendment.

(b) Existing Definitions. The following existing definitions in Exhibit A [Definitions] of the Note and Warrant Purchase Agreement are hereby amended and restated in their entirety to read as follows:

“**Buyer**” means (i) from the Closing Date up to but excluding the First Amendment Effective Date, each First Tranche Buyer and (ii) from and after the First Amendment Effective Date, each First Tranche Buyer and each Second Tranche Buyer.

“**Buyers**” means (i) from the Closing Date up to but excluding the First Amendment

Effective Date, all the First Tranche Buyers and (ii) from and after the First Amendment Effective Date, all the First Tranche Buyers and all the Second Tranche Buyers.

“**Common Stock**” means the Company’s common stock, no par value.

“**Note**” means (i) from the Closing Date up to but excluding the First Amendment Effective Date, only each First Tranche Note and (ii) from and after the First Amendment Effective Date, each First Tranche Note and each Second Tranche Note.

“**Notes**” means (i) from the Closing Date up to but excluding the First Amendment Effective Date, all the First Tranche Notes and (ii) from and after the First Amendment Effective Date, all the First Tranche Notes and Second Tranche Notes.

“**Offered Securities**” means (i) from the Closing Date up to but excluding the First Amendment Effective Date, all the First Tranche Notes and all the First Tranche Warrants and (ii) from and after the First Amendment Effective Date, all the First Tranche Notes, the First Tranche Warrants, the Second Tranche Notes, and the Second Tranche Warrants.

“**Permitted Indebtedness**” means

- (a) Indebtedness evidenced by the Agreement or the other Transaction Documents,
- (b) Indebtedness set forth on Schedule 4(r) and any Refinancing Indebtedness in respect of such Indebtedness,
- (c) Permitted Purchase Money Indebtedness and any Refinancing Indebtedness in respect of such Indebtedness,
- (d) endorsement of instruments or other payment items for deposit,
- (e) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantee and similar obligations; (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions; and (iii) unsecured guarantees with respect to Indebtedness of the Company or one of its Subsidiaries, to the extent that the Person that is obligated under such guaranty could have incurred such underlying Indebtedness,
- (f) the Senior Debt,
- (g) Acquired Indebtedness in an amount not to exceed \$250,000 outstanding at any one time,
- (h) Indebtedness incurred in the ordinary course of business under performance, surety, statutory, and appeal bonds,
- (i) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to the Company or any of its Subsidiaries, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be

incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year,

(j) Indebtedness incurred in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards"), or Cash Management Services, in each case, incurred in the ordinary course of business,

(k) unsecured Indebtedness of the Company owing to current and former employees, officers, or directors (or any spouses, ex-spouses, or estates of any of the foregoing) incurred in connection with the repurchase or redemption by the Company of the Stock of the Company that has been issued to such Persons, so long as (i) no Default or Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness, (ii) the aggregate amount of all such Indebtedness outstanding at any one time does not exceed \$250,000, and (iii) such Indebtedness is subordinated to the Obligations on terms and conditions reasonably acceptable to Collateral Agent,

(l) unsecured Indebtedness of the Company, so long as (i) no Default or Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness, (ii) the aggregate amount of all such Indebtedness outstanding at any one time does not exceed \$250,000, and (iii) such Indebtedness is subordinated to the Obligations on terms and conditions reasonably acceptable to Collateral Agent.

(m) Indebtedness owing to each of Massachusetts Mutual Life Insurance Company, Pacific Fidelity Life Insurance Company, Equitable Variable Life Insurance Company and Jackson National Life Insurance Company in an aggregate principal amount not to exceed the aggregate cash surrender value of the Key Person Life Insurance Policies and secured solely by the Company's interests in the Key Person Life Insurance Policies,

(n) Indebtedness composing Permitted Investments,

(o) contingent liabilities in respect of any indemnification obligation, adjustment of purchase price, non-compete, or similar obligation of the Company or the applicable Subsidiary incurred in connection with the consummation of one or more Permitted Acquisitions, and

(p) the AIA Subordinated Debt.

"Permitted Liens" means:

(a) Liens granted to, or for the benefit of, Collateral Agent to secure the Obligations,

(b) Liens for unpaid taxes, assessments, or other governmental charges or levies that either (i) are not yet delinquent, or (ii) do not have priority over Collateral Agent's Liens and the underlying taxes, assessments, or charges or levies are the subject of Permitted Protests,

(c) judgment Liens arising solely as a result of the existence of judgments,

orders, or awards that do not constitute an Event of Default under **Section 6(c)** of the Agreement,

- (d) Liens set forth on Schedule P-2; provided, however, that to qualify as a Permitted Lien, any such Lien described on Schedule P-2 shall only secure the Indebtedness that it secures on the Closing Date and any Refinancing Indebtedness in respect thereof,
- (e) the interests of lessors under operating leases and non-exclusive licensors under license agreements,
- (f) purchase money Liens or the interests of lessors under Capital Leases to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness and so long as (i) such Lien attaches only to the asset purchased or acquired and the proceeds thereof, and (ii) such Lien only secures the Indebtedness that was incurred to acquire the asset purchased or acquired or any Refinancing Indebtedness in respect thereof,
- (g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens either (i) are for sums not yet delinquent, or (ii) are the subject of Permitted Protests,
- (h) Liens on amounts deposited to secure the Company's and its Subsidiaries obligations in connection with worker's compensation or other unemployment insurance,
- (i) Liens on amounts deposited to secure the Company's and its Subsidiaries obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business and not in connection with the borrowing of money,
- (j) Liens on amounts deposited to secure the Company's and its Subsidiaries reimbursement obligations with respect to surety or appeal bonds obtained in the ordinary course of business,
- (k) with respect to any Real Property, easements, rights of way, and zoning restrictions that do not materially interfere with or impair the use or operation thereof,
- (l) non-exclusive licenses of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business,
- (m) Liens that are replacements of Permitted Liens to the extent that the original Indebtedness is the subject of permitted Refinancing Indebtedness and so long as the replacement Liens only encumber those assets that secured the original Indebtedness,
- (n) rights of setoff or bankers' liens upon deposits of cash in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such deposit accounts in the ordinary course of business,
- (o) Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the

financing is permitted under the definition of Permitted Indebtedness,

- (p) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods,
- (q) Liens securing the Senior Debt,
- (r) Liens solely on any cash earnest money deposits made by the Company or any of its Subsidiaries in connection with any letter of intent or purchase agreement with respect to a Permitted Investment,
- (s) Liens solely on the Key Person Life Insurance Policies securing the Indebtedness permitted under clause (m) of the definition of Permitted Indebtedness,
- (t) Liens assumed by the Company or any of its Subsidiaries in connection with a Permitted Acquisition that secure Acquired Indebtedness that is either Purchase Money Indebtedness or a Capital Lease with respect to Equipment not exceeding \$250,000 in the aggregate at any time outstanding,
- (u) Liens securing the AIA Subordinated Debt and subject to the AIA Subordination Agreement, and
- (u) other Liens which do not secure Indebtedness for borrowed money or letters of credit and as to which the aggregate amount of the obligations secured thereby does not exceed \$250,000.

“**Subordination Agreement**” means the Subordination and Intercreditor Agreement dated March 31, 2011 among Tontine, Northcreek, on its behalf and in its capacity as collateral agent, the Company, and WFCF, as joined by Stinger Northcreek and as amended by the Consent, Joinder and First Amendment to Subordination and Intercreditor Agreement dated the First Amendment Effective Date, as that agreement may be further amended, restated, supplemented, or modified in accordance with its terms.

“**Subordinated Debt**” means, collectively, (i) the Indebtedness in the original principal amount of \$5,000,000 (plus payment-in-kind interest) issued by the Company to Northcreek and Tontine and secured and evidenced by the Transaction Documents, including but not limited to the First Tranche Notes, (ii) additional Indebtedness of \$2,700,000 (plus payment-in-kind interest) issued by the Company to Northcreek and Stinger Northcreek on the First Amendment Effective Date and secured and evidenced by the Transaction Documents, including but not limited to the Second Tranche Notes, and (iii) additional Indebtedness of up to an original aggregate principal amount of \$300,000 (plus payment-in-kind interest) offered and issued to the Buyers on a pro rata basis on the same terms of subordination and at the same or lower rate of cash and total interest as the Second Tranche Notes, with the same maturity date as the Second Tranche Notes, with no scheduled amortization and otherwise on substantially the same terms and conditions as either the First Tranche Notes or Second Tranche Notes. If one of the Buyers declines to purchase some or all of its pro rata share of such additional Subordinated Debt, then the other Buyers may purchase such Subordinated Debt in addition to their own pro rata shares.

“**Warrant**” means (i) from the Closing Date up to but excluding the First Amendment Effective Date, each First Tranche Warrant and (ii) from and after the First Amendment Effective

Date, each First Tranche Warrant and each Second Tranche Warrant.

“**Warrants**” means (i) from the Closing Date up to but excluding the First Amendment Effective Date, all the First Tranche Warrants and (ii) from and after the First Amendment Effective Date, all the First Tranche Warrants and all the Second Tranche Warrants.

“**Warrant Shares**” means each share of Common Stock that may be acquired upon exercise of any one or more of the Warrants.

(c) New Definitions. The following definitions are hereby added in the appropriate alphabetical order to Exhibit A of the Note and Warrant Purchase Agreement:

“**AIA Acquisition**” means the purchase by Company of all or substantially all of the assets of AIA Seller on the First Amendment Effective Date pursuant to and in accordance with the AIA Acquisition Documents.

“**AIA Acquisition Agreement**” means that certain Asset Purchase Agreement dated as of the First Amendment Effective Date by and among Company, AIA Seller and the members of AIA Seller, attached to the First Amendment as Exhibit A.

“**AIA Acquisition Documents**” means the AIA Acquisition Agreement and all other agreements, instruments and documents relating thereto.

“**AIA Seller**” means A.I.A. Countertops, LLC, an Indiana limited liability company.

“**AIA Subordinated Debt**” means the Indebtedness in the original principal amount of \$2,000,000 issued by Company to AIA Seller, constituting a portion of the purchase price of the AIA Acquisition, evidenced by the AIA Subordinated Debt Documents and subject to the AIA Subordination Agreement.

“**AIA Subordinated Debt Documents**” means that certain Subordinated Secured Promissory Note dated as of the First Amendment Effective Date made by the Company in favor of AIA Seller and all other agreements, instruments and documents relating thereto.

“**AIA Subordination Agreement**” means that certain Subordination and Intercreditor Agreement dated as of the First Amendment Effective Date among WFCF, as agent for the Senior Lender Group, AIA Seller, the members of AIA Seller, Collateral Agent, and Buyers.

“**First Amendment**” means the First Amendment to Secured Senior Subordinated Note and Warrant Purchase Agreement dated as of the First Amendment Effective Date among the Company, Tontine, Northcreek, and Stinger Northcreek PATK LLC, a Delaware limited liability company.

“**First Amendment Effective Date**” means September 16, 2011.

“**First Tranche Buyer**” means each of Tontine and Northcreek.

“**First Tranche Buyers**” means Tontine and Northcreek, collectively.

“**First Tranche Note**” means a secured senior subordinated note in the form attached as Exhibit B to the Agreement.

“**First Tranche Warrant**” means a detachable warrant to acquire shares of Common Stock in the form attached as Exhibit C to the Agreement.

“**Second Tranche Buyer**” means each of Northcreek and Stinger Northcreek.

“**Second Tranche Buyers**” means Northcreek and Stinger Northcreek, collectively.

“**Second Tranche Note**” means a secured senior subordinated note in the form attached as Exhibit E to the First Amendment.

“**Second Tranche Warrant**” means a detachable warrant to acquire shares of Common Stock in the form attached as Exhibit F to the First Amendment.

“**Stinger Northcreek**” means Stinger Northcreek PATK LLC, a Delaware limited liability company.

3. Amendment to Introductory Paragraph. The introductory paragraph of the Note and Warrant Purchase Agreement is amended by deleting the following text: “, and each of Tontine and Northcreek individually, a ‘**Buyer**’ and collectively, the ‘**Buyers**’”.

4. Amendment to Recital C. Recital C of the Note and Warrant Purchase Agreement is hereby amended and restated in its entirety to read as follows:

C. Each First Tranche Buyer is willing to purchase from the Company the First Tranche Notes evidencing the Subordinated Debt as is set forth opposite such First Tranche Buyer’s name in column (3) on the Schedule of Buyers attached hereto, in each case in accordance with the terms, subject to the conditions and in reliance on, the recitals, representations, warranties, covenants and agreements set forth herein and in the First Tranche Notes.

5. Amendment to Recital D. Recital D of the Note and Warrant Purchase Agreement is hereby amended and restated in its entirety to read as follows:

D. In connection with its purchase of a First Tranche Note, each First Tranche Buyer will receive a First Tranche Warrant. The First Tranche Warrant is transferable separate from the First Tranche Note, subject to the terms, conditions, limitations and restrictions on transfer set forth in the First Tranche Warrant.

6. Amendment of Note Purchase Agreement Exhibits. The Note and Warrant Purchase Agreement is amended by attaching to and incorporating into the Note and Warrant Purchase Agreement Exhibit E and Exhibit F attached to this First Amendment.

7. Amendment to Schedule of Buyers. The Schedule of Buyers of the Note and Warrant Purchase Agreement is entirely deleted and replaced with the Schedule of Buyers attached to this First

Amendment.

8. Amendment to Schedule 4(x). Schedule 4(x) of the Note and Warrant Purchase Agreement is amended by adding the following locations:

1. 1515 Leninger, Elkhart, Indiana 46517
2. 502 West Railroad Avenue, Syracuse, Indiana 46567

9 . Amendment to Schedule 4(a)(ii). Schedule 4(a)(ii) of the Note and Warrant Purchase Agreement is amended by adding text as a new paragraph after the last paragraph of Schedule 4(a)(ii):

As of the First Amendment Effective Date, the Company issued to Northcreek a Second Tranche Warrant to acquire 85,000 shares of Common Stock at an exercise price of \$0.01 per share and issued to Stinger Northcreek a Second Tranche Warrant to acquire 50,000 shares of Common Stock at an exercise price of \$0.01 per share.

10. Amendment to Section 2(c). Section 2(c) of the Note and Warrant Purchase Agreement is hereby amended and restated in its entirety as follows:

(c) Subordination. Each Note shall be subordinated in accordance with the provisions of the Subordination Agreement.

11. Amendment to Section 2(f). Section 2(f)(i) and Section 2(f)(ii) of the Note and Warrant Purchase Agreement are each hereby amended and restated in their entirety as follows:

(f) Interest Rate Matters. The Company agrees that matters concerning the payment, application, accrual and computation of interest and interest rates shall be in accordance with this Agreement and the other Transaction Documents.

(i) Applicable Interest Rate. In accordance with this **Section 2(f)** and any other conditions and limitations set forth in this Agreement, the Subordinated Debt shall bear interest as follows: **(A)** the First Tranche Notes shall bear interest at a rate equal to (i) 10.0% per annum for the period until the second anniversary of the Closing Date, and (ii) 13.0% per annum thereafter and **(B)** the Second Tranche Notes shall bear interest at a rate of 13.0% per annum.

(ii) Interest Payments. In accordance with this **Section 2(f)** and except as otherwise expressly provided in the Notes, interest accrued on the Notes shall be payable by the Company in arrears quarterly on the last day of each March, June, September and December and on the Maturity Date. Interest will be payable in cash or, at the Company's option (upon not less than ten Business Days' notice to each Buyer), a combination of cash and in kind by increasing the principal amount by the amount of interest paid in kind; provided, however, that **(A)** with respect to the First Tranche Notes, at each interest payment date, the Company must pay interest in cash at a rate of at least (i) 7.0% per annum during the period until the second anniversary of the Closing Date, and (ii) 10.0% per annum thereafter and **(B)** with respect to the Second Tranche Notes, at each interest payment date, the Company must pay interest in cash at a rate of 10.0% per

annum.

12. Amendment to Section 2(g). Section 2(g)(i) of the Note and Warrant Purchase Agreement is hereby amended and restated as follows:

(g) Payments. The Company agrees that matters concerning prepayments, payments and application of payments shall be in accordance with this Agreement and the other Transaction Documents.

(i) Prepayment. The Company may prepay all or any portion of the Notes at any time; provided, however, that with respect to the Notes, (i) if such prepayment occurs on or prior to March 31, 2012, such prepayment will be at 105% of the principal amount of the Notes being prepaid; (ii) if such prepayment occurs after March 31, 2012, but on or prior to March 31, 2013, such prepayment will be at 104% of the principal amount of the Notes being prepaid; (iii) if such prepayment occurs after March 31, 2013, but on or prior to March 31, 2014, such prepayment will be at 103% of the principal amount of the Notes being prepaid; (d) if such prepayment occurs thereafter, such prepayment will be at 100% of the principal amount of the Note being prepaid. Notwithstanding the foregoing sentence, the Company may prepay up to 10% of the original principal amount of the Notes at a price of 101% of the principal amount of the Notes being prepaid during each of the following periods: (i) the period ending March 31, 2012, (ii) the period beginning April 1, 2012 and ending March 31, 2013; and (iii) the period beginning April 1, 2013 and ending March 31, 2014. Any prepayment pursuant to this **Section 2(g)** shall be subject to the following terms and conditions: (x) the Company shall give each Buyer at least three Business Days' prior written notice of its intent to make each prepayment; (y) each prepayment shall be made in immediately available funds and shall be made by paying the principal amount to be prepaid, together with unpaid accrued interest thereon through the date of prepayment; and (z) each prepayment shall be distributed to the Buyers on a pro rata basis based on the principal amount of the Notes held by each Buyer.

13. Consent.

(a) In reliance upon the representations and warranties of Company set forth in Section 16, and subject to the full satisfaction of the conditions set forth in Section 17, Tontine and Northcreek hereby:

(i) consent to the consummation of the AIA Acquisition in accordance with the terms of the AIA Acquisition Documents, except that the purchase consideration payable in respect of the AIA Acquisition (including deferred payment obligations) shall not exceed \$7,700,000 in the aggregate, subject to working capital adjustments at closing in accordance with the terms of the AIA Acquisition Agreement; and

(ii) agree that, notwithstanding anything to the contrary contained in the Note and Warrant Purchase Agreement or any other Transaction Document, the AIA Acquisition will be treated as a "Permitted Acquisition" for all purposes thereunder (other than with respect to clause (i) of the definition of "Permitted Acquisitions" set forth on Exhibit A to the Note and Warrant Purchase Agreement).

(b) Except as expressly set forth in this First Amendment, the consent set forth in Section 13(a)

does not (i) modify or alter, in any way, the Note and Warrant Purchase Agreement or any other Transaction Documents or (ii) waive, release, or limit any rights or remedies that Tontine or Northcreek have under the Note and Warrant Purchase Agreement, under any other Transaction Documents, or at law or equity.

14. Purchase and Sale of the Second Tranche Notes and Second Tranche Warrants. Subject to the full satisfaction or written waiver of the conditions set forth in Section 17, on the First Amendment Effective Date:

- (a) the Company shall sell and issue to Northcreek, and Northcreek shall purchase from the Company, a Second Tranche Note in the original principal amount of \$1,700,000;
- (b) the Company shall sell and issue to Stinger Northcreek, and Stinger Northcreek shall purchase from the Company, a Second Tranche Note in the original principal amount of \$1,000,000;
- (c) the Company shall issue to Northcreek a Second Tranche Warrant to acquire 85,000 shares of Common Stock at an exercise price of \$0.01 per share; and
- (d) the Company shall issue to Stinger Northcreek a Second Tranche Warrant to acquire 50,000 shares of Common Stock at an exercise price of \$0.01 per share.

15. Representations and Warranties of Second Tranche Buyers. With respect to the Second Tranche Notes and Second Tranche Warrants, as of the First Amendment Effective Date, each Second Tranche Buyer makes the representations and warranties under Section 3 of the Note and Warrant Purchase Agreement as if those representations and warranties were fully incorporated into and published in this First Amendment, except that any references in Section 3 of the Note and Warrant Purchase Agreement to the Closing Date will be deemed a reference to the First Amendment Effective Date.

16. Representations and Warranties. To induce the Buyers to execute and deliver this First Amendment, the Company represents and warrants to the Buyers (which representations and warranties survive the signing and delivery of this First Amendment) that as of the First Amendment Effective Date:

- (a) the signing, delivery and performance of this First Amendment and any and all other documents signed or delivered in connection herewith (i) have been authorized by all requisite corporate action, (ii) does not require the consent or approval of any Governmental Authority, and (iii) will not contravene, conflict with, violate or result in the breach of any law, charter, certificate or articles of organization or limited liability company operating agreement, or any provision of any material indenture, agreement or other instrument to which any Loan Party is a party or by which any properties or assets of any Loan Party are or may be bound;
- (b) no Event of Default has occurred or would result from the signing, delivery and performance of this First Amendment;
- (c) after giving effect to this First Amendment, the representations and warranties of the Company contained in the Note and Warrant Purchase Agreement and the other Transaction Documents are true and correct on and as of the First Amendment Effective Date with the same force and effect as though made by the Company on such date (except representations and warranties which relate solely to an earlier date or time); and

to an earlier date or time); and

- (d) this First Amendment, the Note and Warrant Purchase Agreement (as amended by this First Amendment), and all other Transaction Documents are and remain legal, valid, binding and enforceable obligations in accordance with their respective terms.

17. Conditions to Effectiveness of First Amendment. The effectiveness of this First Amendment is expressly conditioned upon satisfaction of each of the following conditions precedent:

(a) Concurrently with the signing and delivery of this First Amendment, the Company shall sign and deliver: (i) to Northcreek a Second Tranche Note in the original principal amount of \$1,700,000 and (ii) to Stinger Northcreek a Second Tranche Note in the original principal amount of \$1,000,000.

(b) Concurrently with the signing and delivery of this First Amendment, the Company shall sign and deliver: (i) to Northcreek a Second Tranche Warrant registered in Northcreek's name exercisable for 85,000 Warrant Shares (ii) to Stinger Northcreek a Second Tranche Warrant registered in Stinger Northcreek's name exercisable for 50,000 Warrant Shares.

(c) Concurrently with the signing and delivery of this First Amendment, Northcreek shall deliver to the Company \$1,700,000 as the purchase price for Northcreek's Second Tranche Note, and Stinger Northcreek shall deliver to the Company \$1,000,000 as the purchase price for Stinger Northcreek's Second Tranche Note, in each case, by wire transfer of immediately available funds to an account designated by the Company.

(d) Concurrently with the signing and delivery of this First Amendment, the Company shall deliver to Northcreek and Tontine the First Amendment to Warrant Agreement in the form attached as Exhibit B, signed by the Company and dated as of the First Amendment Effective Date.

(e) On the First Amendment Effective Date, Company shall pay Northcreek the origination fee as set forth in Term Sheet dated September 6, 2011 submitted by Northcreek to the Company;

(f) the Company shall have signed and delivered to Northcreek the SBA Side Letter substantially in the form attached as Exhibit C;

(g) Company shall provide evidence that the AIA Seller has the requisite limited liability company authority (e.g., member/manager resolutions) to enter into and perform its obligations under the AIA Acquisition Documents;

(h) the Company shall deliver to Northcreek and Tontine fully-signed copies of the AIA Acquisition Documents;

(i) the Company shall deliver to Northcreek and Tontine fully-signed copies of any amendment to any of the Senior Debt Documents entered into in connection with the AIA Acquisition;

(j) the Company shall deliver to Northcreek and Tontine Amendment No. 2 to Second Amended and Restated Registration Rights Agreement signed by the Company;

(k) the Company shall deliver to Northcreek and Tontine the Consent, Joinder and First Amendment to Subordination and Intercreditor Agreement dated the First Amendment Effective Date and signed by the Company and WFCF;

(l) each of the Company and the Buyers shall have signed and delivered to Northcreek and Tontine this First Amendment;

(m) after giving effect to this First Amendment, no Event of Default shall have occurred and the representations and warranties of the Company set forth in Section 16 shall be true and correct on and with respect to the First Amendment Effective Date and the signing and delivery by the Company of this First Amendment shall constitute the certification by the Company of the same;

(n) all consents required to effectuate the transactions contemplated hereby shall have been obtained;

(o) the Company shall have delivered to Northcreek a certificate signed by the Secretary or Assistant Secretary of the Company certifying as appropriate as to (a) authorization of the Company to enter into the transactions contemplated by this First Amendment, and (b) the names of the officers of the Company authorized to execute this First Amendment and the true signatures of such officers, on which Northcreek and each Buyer may conclusively rely;

(p) all legal details and proceedings in connection with the transactions contemplated by this First Amendment shall be in form and substance satisfactory to Northcreek, and Northcreek shall have received all such counterpart originals or certified or other copies of such documents and proceedings in connection with such transactions, in form and substance satisfactory to Northcreek; and

(q) the Company shall have paid or caused to be paid all costs and expenses for which Northcreek is entitled to be reimbursed.

18. Force and Effect.

(a) The Note and Warrant Purchase Agreement and all other Transaction Documents remain unchanged and continue in full force and effect, in each case as amended by this First Amendment. Any reference to the Note and Warrant Purchase Agreement in any Transaction Document or any document, instrument, or agreement shall hereafter mean and include the Note and Warrant Purchase Agreement, as amended by this First Amendment. Except as expressly set forth in Sections 2 – Section 12 of this First Amendment, nothing in this First Amendment modifies or alters, in any way, the Note and Warrant Purchase Agreement or any other Transaction Documents or (ii) waives, releases, or limits any rights or remedies that Tontine or Northcreek have under the Note and Warrant Purchase Agreement, under any other Transaction Documents, or at law or equity.

(b) No novation is intended or will occur by or as a result of this First Amendment. The Company reconfirms, restates, and ratifies the Note and Warrant Purchase Agreement, each of the other Transaction Documents and all other documents signed in connection therewith except to the extent any such documents are expressly modified by this First Amendment. This First Amendment is not intended to constitute, nor does it constitute, an interruption, suspension of continuity, satisfaction, discharge of prior duties, novation, or termination of the liens, security interests, indebtedness, loans, liabilities, expenses, or obligations under the Note and Warrant Purchase Agreement or the other Transaction Documents.

(c) The Company acknowledges and agrees that (i) the Collateral and other liens and security interests in favor of Northcreek, as Collateral Agent, and Tontine and Northcreek under the Transaction

Documents have continued to secure the indebtedness, loans, liabilities, expenses, and obligations under the Note and Warrant Purchase Agreement since the date of signing of each applicable Transaction Document and (ii) all liens and security interests in the Collateral and all other liens and security interests which were granted pursuant to any of the Transaction Documents shall remain in full force and effect from and after the First Amendment Effective Date.

(d) The parties confirm that the Second Tranche Notes are Subordinated Debt and are deemed to be issued under the Note and Warrant Purchase Agreement.

19. Governing Law. Illinois law (without regard to any jurisdiction's conflict-of-laws principles) exclusively governs all matters arising from or relating in any way to this First Amendment.

20. Counterparts, Telecopy Signatures. This First Amendment may be signed 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; and, delivery of signed signature pages hereof by telecopy transmission, or other electronic transmission in *.pdf* or similar format, from one party to another shall constitute effective and binding signing and delivery of this First Amendment by such party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

The parties have signed this First Amendment as of the day and year specified in the introductory paragraph.

PATRICK INDUSTRIES, INC.

By: /s/ Andy L. Nemeth

Title: Executive Vice President of Finance, Chief Financial officer

Name: Andy L. Nemeth
Print Name

NORTHCREEK MEZZANINE FUND I, L.P.

By: NMF GP, LLC, its general partner

By: Northcreek Management, Inc., its manager

By: /s/ Barry A. Peterson

Title: Vice President

Name: Barry A. Peterson
Print Name

STINGER NORTHCREEK PATK LLC

By: Northcreek Management, Inc., its manager

By: /s/ Barry A. Peterson

Title: Vice President

Name: Barry A. Peterson
Print Name

TONTINE CAPITAL OVERSEAS MASTER FUND II, L.P.

By: Tontine Asset Associates, L.L.C., its general partner

By: /s/ Jeffrey L. Gendell

Jeffrey L. Gendell, Managing Member

Signature Page

First Amendment to Note and Warrant Purchase Agreement

EXHIBIT E

FORM OF SECOND TRANCHE NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES ACT OF ANY STATE. EXCEPT AS OTHERWISE PROVIDED IN THE NOTE PURCHASE AGREEMENT REFERENCED IN THIS NOTE, THIS NOTE MAY NOT BE OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THIS NOTE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND SUCH STATE OR OTHER LAWS AS MAY BE APPLICABLE, OR AN APPLICABLE EXEMPTION TO THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH LAWS.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AND INTERCREDITOR AGREEMENT (AS THE SAME MAY BE AMENDED OR OTHERWISE MODIFIED FROM TIME TO TIME PURSUANT TO THE TERMS THEREOF, THE "**SUBORDINATION AGREEMENT**") DATED AS OF MARCH 31, 2011 AMONG PATRICK INDUSTRIES, INC., AN INDIANA CORPORATION (THE "**COMPANY**"), TONTINE CAPITAL OVERSEAS MASTER FUND II, L.P., A CAYMAN ISLANDS LIMITED PARTNERSHIP, NORTHCREEK MEZZANINE FUND I, L.P., A DELAWARE LIMITED PARTNERSHIP, ON ITS BEHALF AND IN ITS CAPACITY AS COLLATERAL AGENT, AND WELLS FARGO CAPITAL FINANCE, LLC ("**WFCF**"), AS AMENDED BY THE CONSENT, JOINDER AND FIRST AMENDMENT TO SUBORDINATION AGREEMENT DATED SEPTEMBER 16, 2011 AMONG THE ABOVE-NAMED PARTIES AND STINGER NORTHCREEK PATK LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY THE CREDIT PARTIES (AS DEFINED IN THE SUBORDINATION AGREEMENT) PURSUANT TO THAT CERTAIN CREDIT AGREEMENT DATED AS OF MARCH 31, 2011 AMONG THE COMPANY, WFCF AND THE LENDERS FROM TIME TO TIME PARTY THERETO (THE "**SENIOR CREDIT AGREEMENT**"), AND THE OTHER SENIOR DEBT DOCUMENTS (AS DEFINED IN THE SUBORDINATION AGREEMENT), AS SUCH SENIOR CREDIT AGREEMENT, AND SUCH OTHER SENIOR DEBT DOCUMENTS HAVE BEEN AND HEREAFTER MAY BE AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME AND TO INDEBTEDNESS REFINANCING THE INDEBTEDNESS UNDER SUCH AGREEMENTS AS PERMITTED BY THE SUBORDINATION AGREEMENT; AND EACH HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

SECURED SENIOR SUBORDINATED NOTE

\$(_____)

September [], 2011

FOR VALUE RECEIVED, the undersigned, Patrick Industries, Inc. (the "**Company**"), hereby promises to pay to the order of [_____], ("**Buyer**"), at its offices at _____ (or at such other place as the holder may from time to time designate) the principal sum of [_____], plus any interest that has been paid in kind, on March 31, 2016 (the "**Maturity Date**") or any earlier date of acceleration of the Maturity Date, and to pay interest on the principal amount, including any interest that has been paid in kind, outstanding under and pursuant to this Secured Senior Subordinated Note (this "**Note**") from September [], 2011, in arrears quarterly on the last day of each March, June, September and December and on the Maturity Date, commencing on December 31, 2011 (each, an "**Interest Payment Date**"), at a rate of 13.0% per annum from and after the date set forth on the face of this Note. Interest will be payable in cash or, at the Company's option (upon not less than ten

Business Days' notice to each Buyer), a combination of cash and in kind by increasing the principal amount by the amount of interest paid in kind; provided, however, that at each Interest Payment Date, the Company must pay interest in cash at a rate of at least 10.0% per annum. Unless expressly prohibited by applicable law, any principal or interest payments not paid when due shall bear interest payable upon demand by Buyer at a rate which is 2.0% per annum in excess of the rate of interest otherwise payable under this Note.

This Note is the Second Tranche Note referred to in that certain Secured Senior Subordinated Note and Warrant Purchase Agreement dated March 31, 2011, by and among the Company, Tontine Capital Overseas Master Fund II, L.P., a Cayman Islands limited partnership and Northcreek Mezzanine Fund I, L.P., a Delaware limited partnership (on its behalf and in its capacity as collateral agent) and as amended by the First Amendment to Secured Senior Subordinated Note and Warrant Purchase Agreement dated the date of this Note (as may be amended, modified, or restated from time to time, the "**Note Purchase Agreement**"). All of the other Secured Senior Subordinated Notes of the Company of even date herewith (as may be amended, modified or restated from time to time) are collectively referred to herein as the "**Other Notes**," and this Note and the Other Notes are collectively referred to herein as the "**Notes**." Capitalized terms used in this Note are defined in the Note Purchase Agreement, unless otherwise expressly stated herein. This Note is entitled to the benefits of the Note Purchase Agreement and is subject to all of the agreements, terms and conditions contained therein, all of which are incorporated herein by this reference. This Note may be prepaid, in whole or in part, at any time on the following terms and conditions: (a) if such prepayment occurs on or before March 31, 2012, such prepayment will be at 105% of the principal amount of the Note being prepaid; (b) if such prepayment occurs after March 31, 2012, but on or before March 31, 2013, such prepayment will be at 104% of the principal amount of the Note being prepaid; (c) if such prepayment occurs after March 31, 2013 but on or before March 31, 2014, such prepayment will be at 103% of the principal amount of the Note being prepaid; (d) if such prepayment occurs thereafter, such prepayment will be at 100% of the principal amount of the Note being prepaid. Notwithstanding the foregoing sentence, the Company may prepay up to 10% of the original principal amount of the Note at a price of 101% of the principal amount of the Note being prepaid during each of the following periods: (i) the period ending March 31, 2012, (ii) the period beginning April 1, 2012 and ending March 31, 2013; and (iii) the period beginning April 1, 2013 and ending March 31, 2014. The Company shall give the holder at least three Business Days' prior written notice of its intent to make each prepayment, and each prepayment shall be made in immediately available funds and shall be made by paying the principal amount to be prepaid, together with unpaid accrued interest thereon to the date of prepayment.

Interest on the principal amount of this Note from time to time outstanding shall be computed on the basis of the actual number of days elapsed based on a 360-day year, consisting of twelve (12) 30-day months. In no event, however, shall interest exceed the maximum rate permitted by law.

In the event the Company can pay some, but not all, of the aggregate interest payable on the outstanding Notes on any Interest Payment Date, or of the aggregate outstanding principal of the Notes on the Maturity Date, or of any fees or other obligations payable under the Notes on the due date therefor, the Company shall apportion the aggregate payment made by it on such Interest Payment Date, Maturity Date or other due date ratably among the Notes in proportion to the respective outstanding principal balances thereof; provided that the foregoing shall not affect any right of the holder of this Note to receive payment in full of such interest, principal or other amount on such Interest Payment Date, Maturity Date or other due date, as the case may be, or otherwise limit any rights and remedies of the holder of this Note with respect thereto.

Upon the occurrence of an Event of Default, the principal of, interest accrued on, and other obligations payable under this Note, will immediately become due and payable, without presentment, demand, protest or notice of any kind. Upon the occurrence of an Event of Default, it is specifically understood and agreed that,

notwithstanding the curing of such Event of Default, the Company shall not be released from any of its covenants hereunder unless and until this Note is paid in full. Notwithstanding the foregoing, nothing herein shall limit the rights of the holder of this Note to exercise any and all remedies available to such holder under applicable law.

The indebtedness of the Company evidenced by this Note, including the principal, interest and premium, if any, is secured in accordance with the Security Documents.

The written consent of the Company and each Buyer shall be required for any amendment to the Notes (including this Note), and upon receipt of such consent, each Note (including this Note) shall be deemed amended thereby. No such amendment shall be effective except to the extent it applies on an equivalent basis to all of the Notes. No consideration shall be offered or paid to any holder of the Notes to amend or consent to an amendment or other modification of any provision of the Notes unless the same consideration is offered to all of the holders of the Notes.

The holder of this Note may assign or transfer some or all of its rights hereunder, subject to compliance with the provisions of the Note Purchase Agreement and the Subordination Agreement, without the consent of the Company. The holder of this Note shall promptly provide notice to the Company of the name and address of the assignee or transferee and the principal amount of this Note assigned or transferred, as applicable. Notwithstanding the foregoing, if this Note has been prepaid in part, the holder of this Note may not transfer this Note unless such holder first physically surrenders this Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the holder of this Note a new Note of like tenor, registered as such holder may request, representing in the aggregate the remaining principal represented by this Note. The holder of this Note and any assignee, by acceptance of this Note, acknowledge and agree that following any prepayment of any portion of this Note, the principal of this Note may be less than the principal amount stated on the face hereof.

The Company shall maintain, at one of its offices in the United States, a register for the recordation of the names and addresses of each holder of the Notes, and the principal amount of the Notes owed to each such holder pursuant to the terms hereof and of the Other Notes from time to time (the “**Register**”). The entries in the Register shall be conclusive absent manifest error, and the Company and the holders of the Notes shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as the holder of this Note for all purposes, notwithstanding notice to the contrary. The Register shall be available for inspection by any holder of the Notes, at any reasonable time and from time to time upon reasonable prior notice.

The Company shall pay all taxes (other than transfer taxes) and all other expenses and charges payable in connection with the preparation, execution and delivery of this Note.

ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS NOTE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF ILLINOIS OR ANY OTHER JURISDICTIONS) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTIONS OTHER THAN THE STATE OF ILLINOIS. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE CITY OF CHICAGO, STATE OF ILLINOIS FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HERewith OR WITH ANY TRANSACTION CONTEMPLATED HEREBY OR DISCUSSED HEREIN, AND HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUIT, ACTION OR

PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT, THAT SUCH SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR THAT THE VENUE OF SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER. EACH PARTY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF TO SUCH PARTY AT THE ADDRESS FOR SUCH NOTICES TO IT UNDER THIS NOTE AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE.**

The Company expressly waives any presentment, demand, protest, notice of default, notice of intention to accelerate, notice of acceleration or notice of any other kind.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

SCHEDULE OF BUYERS

(1)	(2)	(3)	(4)	(5)	(6)
Buyer Address and Facsimile Number	Domicile	Principal Amount of Note	Aggregate Number of Warrant Shares	Purchase Price	Buyer's Counsel Address and Facsimile Number
Tontine Capital Overseas Master Fund II, L.P. 55 Railroad Avenue Greenwich, CT 06830 Telephone: (203) 769-2000 Facsimile: (203) 769-2010 Attn: Mr. Jeffrey L. Gendell	Cayman Islands	\$2.5 million (issued 3/31/11) First Tranche Note	125,000 (issued 3/31/11) First Tranche Warrant	\$2.5 million	Barack Ferrazzano Kirschbaum & Nagelberg LLP 200 West Madison Street, Suite 3900 Chicago, IL 60606 Telephone: (312) 984-3100 Facsimile: (312) 984-3150 Attn: Sarah M. Bernstein, Esq.
Northcreek Mezzanine Fund I, L.P. 255 East Fifth Street, Suite 3010 Cincinnati, OH 45202 Telephone: (513) 985-6601 Facsimile: (513) 985-6603 Attn: Barry A. Peterson	Delaware	\$2.5 million (issued 3/31/11) First Tranche Note	125,000 (issued 3/31/11) First Tranche Warrant	\$2.5 million	McGuireWoods LLP 77 West Wacker Drive, Suite 4100 Chicago, IL 60601 Telephone: (312) 849-8170 Facsimile: (312) 698-4548 Attn: Mark A. Kromkowski, Esq.
Northcreek Mezzanine Fund I, L.P. 255 East Fifth Street, Suite 3010 Cincinnati, OH 45202 Telephone: (513) 985-6601 Facsimile: (513) 985-6603 Attn: Barry A. Peterson	Delaware	\$1.7 million (issued 9/16/11) Second Tranche Note	85,000 (issued 9/16/11) Second Tranche Warrant	\$1.7 million	McGuireWoods LLP 77 West Wacker Drive, Suite 4100 Chicago, IL 60601 Telephone: (312) 849-8170 Facsimile: (312) 698-4548 Attn: Mark A. Kromkowski, Esq.
Stinger Northcreek PATK LLC c/o Northcreek Mezzanine Fund I, L.P. 255 East Fifth Street, Suite 3010 Cincinnati, OH 45202 Telephone: (513) 985-6601 Facsimile: (513) 985-6603 Attn: Barry A. Peterson	Delaware	\$1.0 million (issued 9/16/11) Second Tranche Note	50,000 (issued 9/16/11) Second Tranche Warrant	\$1.0 million	McGuireWoods LLP 77 West Wacker Drive, Suite 4100 Chicago, IL 60601 Telephone: (312) 849-8170 Facsimile: (312) 698-4548 Attn: Mark A. Kromkowski, Esq.

**CONSENT, JOINDER AND FIRST AMENDMENT TO
SUBORDINATION AND INTERCREDITOR AGREEMENT**

THIS CONSENT, JOINDER AND FIRST AMENDMENT TO SUBORDINATION AND INTERCREDITOR AGREEMENT ("Amendment") is entered into as of September 16, 2011, by and among Tontine Capital Overseas Master Fund II, L.P., a Cayman Islands limited partnership ("Tontine"), Stinger Northcreek PATK LLC, a Delaware limited liability company ("New Subordinated Creditor"), Northcreek Mezzanine Fund I, L.P., a Delaware limited partnership ("Northcreek"; together with Tontine, each an "Original Subordinated Creditor" and collectively, the "Original Subordinated Creditors"; together with New Subordinated Creditor, each a "Subordinated Creditor" and collectively, the "Subordinated Creditors"), on its behalf and in its capacity as collateral agent pursuant to the terms of the Note Purchase Agreement described below (in such capacity, "Collateral Agent"), Patrick Industries, Inc., an Indiana corporation (the "Company"), and Wells Fargo Capital Finance, LLC, a Delaware limited liability company, as Agent for all Senior Lenders party to the Senior Credit Agreement described in the Subordination Agreement (defined below) and all Bank Product Providers.

WHEREAS, the original Subordinated Creditors, Collateral Agent, Company and Agent are parties to that certain Subordination and Intercreditor Agreement dated as of March 31, 2011, (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Subordination Agreement");

WHEREAS, the Company, Agent and Senior Lenders are entering into that certain Consent and First Amendment to Credit Agreement dated as of the date hereof (the "Senior Amendment");

WHEREAS, the Company and the Subordinated Creditors are entering into that certain First Amendment to Secured Senior Subordinated Note and Warrant Purchase Agreement dated as of the date hereof (the "NPA Amendment") pursuant to which, among other things, (a) New Subordinated Creditor will be joined as a Buyer (as defined in the Note Purchase Agreement) to the Note Purchase Agreement and must execute the Subordination Agreement and (b) certain Subordinated Creditors are extending additional credit to the Company in the original principal amount of \$2,700,000, and the Subordinated Creditors have requested that Agent consent to the NPA Amendment; and

WHEREAS, the Company, the Subordinated Creditors and Agent have agreed to amend the Subordination Agreement in certain respects, subject to the terms and conditions contained herein.

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree as follows:

1 . Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Subordination Agreement.

2 . Consent. Agent hereby consents to the execution of the NPA Amendment; provided, that this is a limited consent and shall not be deemed to constitute a consent of any other departure from the terms of the Subordination Agreement.

3 . Joinder. The parties hereto hereby agree that New Subordinated Creditor, by its signature below, becomes a "Subordinated Creditor" under the Subordination Agreement with the same force and effect as if originally named therein as a "Subordinated Creditor" and New Subordinated Creditor hereby agrees to all of the terms and provisions of the Subordination Agreement applicable to it as a "Subordinated Creditor" thereunder. Each reference to a "Subordinated Creditor" in the Subordination Agreement shall be deemed to include the New Subordinated Creditor.

4. Amendments to Subordination Agreement. The Subordination Agreement is hereby amended as follows:

(a) Recital C of the Subordination Agreement is hereby amended and restated in its entirety to read as follows

C. The Company, Collateral Agent and Subordinated Creditors have entered into a Secured Senior Subordinated Note and Warrant Purchase Agreement dated as of March 31, 2011 (as the same may be amended, restated, supplemented or otherwise modified from time to time as permitted hereunder, the "Note Purchase Agreement") pursuant to which (i) Subordinated Creditors extended credit to the Company as evidenced by (A) those certain Secured Senior Subordinated Notes dated as of March 31, 2011, one issued to Tontine in the original principal amount of \$2,500,000, and the other issued to Northcreek in the original principal amount of \$2,500,000 (as the same may be amended, restated, supplemented or otherwise modified from time to time as permitted hereunder, the "Initial Subordinated Notes") and (B) those certain Secured Senior Subordinated Notes dated as of the First Amendment Effective Date, one issued to Northcreek in the original principal amount of \$1,700,000, and the other issued to Stinger Northcreek PATK LLC, a Delaware limited liability company ("Stinger") in the original principal amount of \$1,000,000 (as the same may be amended, restated, supplemented or otherwise modified from time to time as permitted hereunder, the "Additional Subordinated Notes"; and together with the Initial Subordinated Notes, collectively, the "Subordinated Notes") and (ii) the Company issued (A) to Tontine and Northcreek those certain warrants dated as of March 31, 2011 (collectively, as the same may be amended, restated, supplemented or otherwise modified from time to time as permitted hereunder, the "Initial Warrants") and (B) to Northcreek and Stinger those certain warrants dated as of the First Amendment Effective Date (collectively, as the same may be amended, restated, supplemented or otherwise modified from time to time as permitted hereunder, the "Additional Warrants"; and together with the Initial Warrants, collectively, the "Warrants"), in each case to acquire common stock of the Company.

(b) Section 1 of the Subordination Agreement is hereby amended by adding the following defined term in appropriate alphabetical order therein:

"First Amendment Effective Date" means September 16, 2011.

(c) Section 1 of the Subordination Agreement is hereby amended by amending and restating the definition of "Subordinated Creditors" to read as follows:

"Subordinated Creditors" shall mean Tontine, Northcreek and Stinger, and their respective successors and assigns.

(d) Section 1 of the Subordination Agreement is hereby amended by amending and restating the definition of "Permitted Subordinated Debt Payments" to read as follows:

"Permitted Subordinated Debt Payments" shall mean (i) payments of Subordinated Debt Costs and Expenses, (ii) regularly scheduled payments of interest (including non-cash in-kind payments) on the Subordinated Debt due and payable on a non-accelerated basis as and when due and payable, (iii) the payment of principal of the Subordinated Debt at its regularly scheduled maturity date and (iv) payments constituting Permitted Subordinated Debt Redemptions (as such term is defined in the Senior Credit Agreement), in each case with respect to clauses (i), (ii) and (iii) above in accordance with the terms of the Subordinated Debt Documents as in effect on the First Amendment Effective Date or as modified in accordance with the terms of this Agreement.

(e) Subclause (a) of clause (i) of Section 3.2 of the Subordination Agreement is hereby amended and restated in its entirety as follows:

(a) increase the maximum principal amount of the Subordinated Debt or rate of interest on any of the Subordinated Debt (provided that, for the avoidance of doubt, the payment by the Company of non-cash in-kind interest, the increase in the interest rate on the second anniversary of the date hereof with respect to the Initial Subordinated Notes and the imposition of a default rate of interest, all in accordance with the terms of the Subordinated Debt Documents as in effect on the First Amendment Effective Date, shall not constitute an amendment, modification or supplement to the Subordinated Debt Documents),

(f) The following new clause 5.4 is hereby added at the end of Section 5 of the Subordination Agreement:

5 . 4 **Representations and Warranties of Stinger.** Stinger hereby represents and warrants to Agent and Senior Lenders that as of the First Amendment Effective Date: (a) Stinger is a limited liability company duly formed and validly existing under the laws of the State of Delaware; (b) Stinger has the power and authority to enter into, execute, deliver and carry out the terms of this Agreement, all of which have been duly authorized by all proper and necessary action; (c) the execution of this Agreement by Stinger will not violate or conflict with the organizational documents of Stinger, any material agreement binding upon Stinger or any law, regulation or order or require any consent or approval which has not been obtained; (d) this Agreement is the legal, valid and binding obligation of Stinger, enforceable against Stinger in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles; and (e) Stinger is the sole owner of record, and, collectively with its members, the sole owners beneficially, of a Subordinated Note in the original principal amount of \$1,000,000.

(g) Section 10 of the Subordination Agreement is hereby amended by deleting the clause "If to Northcreek or Collateral Agent" and by inserting in lieu thereof the clause "If to Northcreek, Stinger or Collateral Agent".

5 . Continuing Effect. Except as expressly set forth herein, nothing in this Amendment shall constitute a modification or alteration of the terms, conditions or covenants of the Subordination Agreement, or a waiver of any other terms or provisions thereof, and the Subordination Agreement shall remain unchanged and shall continue in full force and effect, in each case as amended hereby.

6. Miscellaneous.

(a) Expenses. The Company agrees to pay on demand all costs and expenses of Agent (including the reasonable fees and expenses of outside counsel for Agent) in connection with the preparation, negotiation, execution, delivery and administration of this Amendment and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith.

(b) Governing Law. This Amendment shall be a contract made under and governed by the internal laws of the State of Illinois.

(c) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment.

[Signature Page Follows]

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

SUBORDINATED CREDITORS:

TONTINE:

TONTINE CAPITAL OVERSEAS MASTER FUND II, L.P.,
a Cayman Islands limited partnership

By: Tontine Asset Associates, L.L.C., a Delaware limited liability company, its general partner

By: /s/ Jeffrey L. Gendell

Name: Jeffrey L. Gendell

Title: Managing Member

NORTHCREEK:

NORTHCREEK MEZZANINE FUND I, L.P.,
a Delaware limited partnership

By: NMF GP, LLC, a Delaware limited liability company, its general partner

By: Northcreek Management, Inc., a Delaware corporation, its manager

By: /s/ Barry A. Peterson

Name: Barry A. Peterson

Title: Vice President

STINGER:

STINGER NORTHCREEK PATK LLC,
a Delaware limited liability company

By: Northcreek Management, Inc., a Delaware corporation, its manager

By: /s/ Barry A. Peterson

Name: Barry A. Peterson

Title: Vice President

Consent, Joinder and First Amendment to Subordination and Intercreditor Agreement

AGENT:

WELLS FARGO CAPITAL FINANCE, LLC,
a Delaware limited liability company

By: /s/ Laura Dixon
Name: Laura Dixon
Title: Vice President

Consent, Joinder and First Amendment to Subordination and Intercreditor Agreement

COMPANY:

PATRICK INDUSTRIES, INC., an Indiana corporation

By: /s/ Andy L. Nemeth

Name: Andy L. Nemeth

Title: Executive Vice President of Finance, Chief Financial Officer, Secretary & Treasurer

Consent, Joinder and First Amendment to Subordination and Intercreditor Agreement

WARRANT

THIS WARRANT AND ANY SECURITIES ACQUIRED UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION TO THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH LAWS. THIS WARRANT AND SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH THE CONDITIONS SPECIFIED IN THE WARRANT AGREEMENT (AS DEFINED BELOW), PURSUANT TO WHICH THIS WARRANT WAS ISSUED.

THIS WARRANT AND THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE WARRANT AGREEMENT AND THE SECOND AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT DATED AS OF DECEMBER 11, 2008 AMONG PATRICK INDUSTRIES, INC., THE OTHER PARTIES THERETO, AS SUCH AGREEMENTS MAY BE AMENDED, MODIFIED, SUPPLEMENTED, RESTATED OR OTHERWISE CHANGED FROM TIME TO TIME.

PATRICK INDUSTRIES, INC.

COMMON STOCK PURCHASE WARRANT

No. CSW-31MAR11-3

September 16, 2011

Warrant to Purchase
85,000 Shares of Common Stock

PATRICK INDUSTRIES, INC., an Indiana corporation (the "Company"), for value received, hereby certifies that **NORTHCREEK MEZZANINE FUND I, L.P.**, a Delaware limited partnership or its registered assigns (the "Holder") is entitled to purchase from the Company that number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock, without par value, of the Company (the "Common Stock") set forth above, at a purchase price per share equal to the Exercise Price, at any time or from time to time on or after the date hereof, but prior to 11:59 p.m., New York City time, on March 31, 2016, all subject to the terms, conditions and adjustments set forth in the Warrant Agreement dated as of March 31, 2011 among the Company and the holders from time to time of the Warrants issued thereunder (as that agreement may be periodically amended, restated, modified, or supplemented in accordance with its terms, the "Warrant Agreement"). Capitalized terms used and not otherwise defined herein have the meanings assigned such terms in the Warrant Agreement.

This Warrant is one of the Warrants (such term to include any such warrants issued in substitution therefor) referred to and issued under the Warrant Agreement. The number of shares of Common Stock issuable upon exercise of this Warrant as set forth on the face hereof is subject to certain adjustments as provided in the Warrant Agreement. The Holder is entitled to certain benefits as set forth in the Second Amended and Restated Registration Rights Agreement dated as of December 11, 2008 among the Company and the other parties thereto, as such agreement may be amended, modified, supplemented, restated or otherwise changed from time to time (the "Registration Rights Agreement"). Copies of the Warrant Agreement and the Registration Rights Agreement are available from the Company at no charge upon the request of the Holder.

Dated: September 16, 2011

PATRICK INDUSTRIES, INC.

By: /s/ Andy L. Nemeth
Name: Andy L. Nemeth
Title: Executive Vice President of Finance, Chief Financial Officer, Secretary and Treasurer

Signature Page
Warrant
Northcreek Mezzanine Fund I, L.P.

WARRANT

THIS WARRANT AND ANY SECURITIES ACQUIRED UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION TO THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH LAWS. THIS WARRANT AND SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH THE CONDITIONS SPECIFIED IN THE WARRANT AGREEMENT (AS DEFINED BELOW), PURSUANT TO WHICH THIS WARRANT WAS ISSUED.

THIS WARRANT AND THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE WARRANT AGREEMENT AND THE SECOND AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT DATED AS OF DECEMBER 11, 2008 AMONG PATRICK INDUSTRIES, INC., THE OTHER PARTIES THERETO, AS SUCH AGREEMENTS MAY BE AMENDED, MODIFIED, SUPPLEMENTED, RESTATED OR OTHERWISE CHANGED FROM TIME TO TIME.

PATRICK INDUSTRIES, INC.

COMMON STOCK PURCHASE WARRANT

No. CSW-31MAR11-4

September 16, 2011

Warrant to Purchase
50,000 Shares of Common Stock

PATRICK INDUSTRIES, INC., an Indiana corporation (the "Company"), for value received, hereby certifies that **STINGER NORTHCREEK PATK LLC**, a Delaware limited liability company or its registered assigns (the "Holder") is entitled to purchase from the Company that number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock, without par value, of the Company (the "Common Stock") set forth above, at a purchase price per share equal to the Exercise Price, at any time or from time to time on or after the date hereof, but prior to 11:59 p.m., New York City time, on March 31, 2016, all subject to the terms, conditions and adjustments set forth in the Warrant Agreement dated as of March 31, 2011 among the Company and the holders from time to time of the Warrants issued thereunder (as that agreement may be periodically amended, restated, modified, or supplemented in accordance with its terms, the "Warrant Agreement"). Capitalized terms used and not otherwise defined herein have the meanings assigned such terms in the Warrant Agreement.

This Warrant is one of the Warrants (such term to include any such warrants issued in substitution therefor) referred to and issued under the Warrant Agreement. The number of shares of Common Stock issuable upon exercise of this Warrant as set forth on the face hereof is subject to certain adjustments as provided in the Warrant Agreement. The Holder is entitled to certain benefits as set forth in the Second Amended and Restated Registration Rights Agreement dated as of December 11, 2008 among the Company and the other parties thereto, as such agreement may be amended, modified, supplemented, restated or otherwise changed from time to time (the "Registration Rights Agreement"). Copies of the Warrant Agreement and the Registration Rights Agreement are available from the Company at no charge upon the request of the Holder.

Dated: September 16, 2011

PATRICK INDUSTRIES, INC.

By:

/s/ Andy L. Nemeth

Name: Andy L. Nemeth

Title: Executive Vice President of Finance, Chief Financial Officer, Secretary and Treasurer

**Signature Page
Warrant
Stinger Northcreek PATK LLC**

**FIRST AMENDMENT
TO
WARRANT AGREEMENT**

This FIRST AMENDMENT TO WARRANT AGREEMENT (the "First Amendment") among Patrick Industries, Inc., an Indiana corporation (the "Company"); Tontine Capital Overseas Master Fund II, L.P., a Cayman Islands limited partnership ("Tontine"); Northcreek Mezzanine Fund I, L.P., a Delaware limited partnership ("Northcreek"); and Stinger Northcreek PATK LLC, a Delaware limited liability company ("Stinger Northcreek") takes effect September 16, 2011.

RECITALS

A. The Company, Tontine, and Northcreek are parties to the Note Purchase Agreement.

B. In connection with the Note Purchase Agreement, the Company, Tontine, and Northcreek entered into a Warrant Agreement dated March 31, 2011 (the "Warrant Agreement") whereby the Company issued to each of Tontine and Northcreek a Warrant to purchase 125,000 shares of Common Stock at \$0.01 (the "First Tranche Warrants"). The Warrant Agreement provided for the future issuance of additional Warrants to purchase up to an additional 150,000 shares of Common Stock.

C. The Company, Tontine, and Northcreek are entering into a First Amendment to Note and Warrant Purchase Agreement dated the date of this First Amendment to amend the Note Purchase Agreement to, among other things, provide for (i) the Company's sale of an additional \$2,700,000 of additional Subordinated Debt (as defined in the Note Purchase Agreement) to Northcreek and Stinger and (ii) in connection with that sale of Subordinated Debt, the Company's issuing to Northcreek and Stinger Warrants to aggregate purchase 135,000 shares of Common Stock (collectively, the "Second Tranche Warrants").

D. In order to reflect the Company's issuance of the Second Tranche Warrants to Northcreek and Stinger Northcreek, the parties have agreed to amend the Warrant Agreement, all on the terms and conditions set forth in this First Amendment.

Accordingly, in consideration of their mutual covenants and agreements set forth below and intending to be legally bound hereby, the parties agree as follows:

1. Recitals.

Recitals A – D above are incorporated into this First Amendment and are acknowledged by the Company as true and correct.

(a) Capitalized Terms, References. A term with its initial letter or initial letters capitalized that is used but not defined in this First Amendment (including the Recitals) has the meaning assigned to it in the Warrant Agreement (as amended by this First Amendment). As used in this First Amendment, "including" is not a term of limitation and means "including without limitation." Each reference to "hereof," "hereunder," "herein," and "hereby" and similar references contained in the Warrant Agreement and each reference to "this Agreement" and similar references contained in the Warrant Agreement, on and after the date of this First Amendment, will refer to the Warrant Agreement as amended by this First Amendment.

(b) Existing Definitions. The following existing definitions in Article I of the Warrant Agreement are hereby amended and restated in their entirety to read as follows:

“**Holder**” means (i) a Person to whom the Company has issued a Warrant in accordance with the Note Purchase Agreement and this Agreement and (ii) a Person acquiring a Warrant by a transfer of a Warrant accomplished in accordance with this Agreement and the Note Purchase Agreement.

“**Initial Number of Shares**” means 400,000 shares of Common Stock.

“**Note Purchase Agreement**” means the Secured Senior Subordinated Note and Warrant Purchase Agreement dated March 31, 2011 among the Company, Tontine Capital Overseas Master Fund II, L.P., a Cayman Islands limited partnership, and Northcreek Mezzanine Fund I, L.P., a Delaware limited partnership, as that agreement may be periodically amended, restated, supplemented, or modified in accordance with its terms.

2 . **Amendment to Introductory Paragraph.** The introductory paragraph of the Warrant Agreement is amended by deleting the following text: “(along with their permitted transferees, the ‘**Holders**’).”

3 . **Amendment to WHEREAS Clause.** The first WHEREAS clause of the Warrant Agreement is hereby amended by deleting the text “(the ‘**Note Purchase Agreement**’).”

4. **Amendment to Schedule A.** Schedule A of the Warrant Agreement is entirely deleted and replaced with the Schedule A attached to this First Amendment.

5. **Confirmation.** The parties confirm that the Second Tranche Warrants are Warrants issued under and governed by the Warrant Agreement and the Note Purchase Agreement.

6. **Force and Effect.** The Warrant Agreement remains unchanged and continues in full force and effect, as amended by this First Amendment. Except as expressly set forth in Sections 2 – Section 5 of this First Amendment, nothing in this First Amendment (i) modifies or alters, in any way, the Warrant Agreement or (ii) waives, releases, or limits any rights or remedies that Tontine or Northcreek have under the Warrant Agreement, or at law or equity.

7. **Governing Law.** Illinois (without regard to any jurisdiction’s conflict-of-laws principles) exclusively governs all matters arising from or relating in any way to this First Amendment.

8. **Counterparts, Telecopy Signatures.** This First Amendment may be signed 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; and, delivery of signed signature pages hereof by telecopy transmission, or other electronic transmission in *.pdf* or similar format, from one party to another shall constitute effective and binding signing and delivery of this First Amendment by such party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

The parties have signed this First Amendment as of the day and year specified in the introductory paragraph.

PATRICK INDUSTRIES, INC.

By: /s/ Andy L. Nemeth

Title: Executive Vice President of Finance, Chief Financial Officer

Name: Andy L. Nemeth
Print
Name

NORTHCREEK MEZZANINE FUND I, L.P.

By: NMF GP, LLC, its general partner

By: Northcreek Management, Inc., its manager

By: /s/ Barry A. Peterson

Title: Vice President

Name: Barry A. Peterson
Print Name

STINGER NORTHCREEK PATK LLC

By: Northcreek Management, Inc., its manager

By: /s/ Barry A. Peterson

Title: Vice President

Name: Barry A. Peterson
Print Name

TONTINE CAPITAL OVERSEAS MASTER FUND II, L.P.

By: Tontine Asset Associates, L.L.C., its general partner

By: /s/ Jeffrey L. Gendell

Jeffrey L. Gendell, Managing Member

Signature Page
First Amendment to Warrant Agreement

SCHEDULE A
To Warrant Agreement

Holder Address and Facsimile Number	Aggregate Number of Warrant Shares	Issue Date
Fontine Capital Overseas Master Fund II, L.P. 55 Railroad Avenue Greenwich, CT 06830 Telephone: (203) 769-2000 Facsimile: (203) 769-2010 Attn: Mr. Jeffrey L. Gendell	125,000 First Tranche Warrant	03/31/2011
Northcreek Mezzanine Fund I, L.P. 255 East Fifth Street, Suite 3010 Cincinnati, OH 45202 Telephone: (513) 985-6601 Facsimile: (513) 985-6603 Attn: Barry A. Peterson	125,000 First Tranche Warrant	03/31/2011
Northcreek Mezzanine Fund I, L.P. 255 East Fifth Street, Suite 3010 Cincinnati, OH 45202 Telephone: (513) 985-6601 Facsimile: (513) 985-6603 Attn: Barry A. Peterson	85,000 Second Tranche Warrant	09/16/2011
Stinger Northcreek PATK LLC c/o Northcreek Mezzanine Fund I, L.P. 255 East Fifth Street, Suite 3010 Cincinnati, OH 45202 Telephone: (513) 985-6601 Facsimile: (513) 985-6603 Attn: Barry A. Peterson	50,000 Second Tranche Warrant	09/16/2011

AMENDMENT NO. 2 TO SECOND AMENDED AND RESTATED

REGISTRATION RIGHTS AGREEMENT

This **AMENDMENT NO. 2 TO SECOND AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT** (this “**Amendment**”), dated as of September 16, 2011, is entered into by and among Patrick Industries, Inc. (the “**Company**”), Tontine Capital Partners, L.P. (“**TCP**”), Tontine Capital Overseas Master Fund, L.P. (“**TMF**”), Tontine Capital Overseas Master Fund II, L.P. (“**TCP 2**”), Northcreek Mezzanine Fund I, L.P. (“**Northcreek**”) and Stinger Northcreek PATK LLC (“**Stinger**”). Capitalized terms used and not defined in this Amendment are defined in the Registration Rights Agreement (as defined below).

RECITALS

A. On December 11, 2008, the Company, TCP, TMF and the holders of warrants issued pursuant to a certain Warrant Agreement, dated December 11, 2008, among the Company and such holders, entered into that certain Second Amended and Restated Registration Rights Agreement (the “**Registration Rights Agreement**”).

B. On March 31, 2011, the Company, TCP, TMF, TCP 2 and Northcreek entered into Amendment No. 1 to the Registration Rights Agreement and TCP 2, Northcreek and the Company entered into a Secured Senior Subordinated Note and Warrant Purchase Agreement providing for the issuance of warrants to TCP 2 and Northcreek to purchase 250,000 shares of Common Stock and the possible issuance of additional warrants to purchase up to an additional 150,000 shares of Common Stock (collectively, the “**2011 Warrant Shares**”).

C. On the date hereof, the Company, TCP 2, Northcreek and Stinger have entered into the First Amendment to the Secured Senior Subordinated Note and Warrant Purchase Agreement, governing, among other things the issuance of warrants to purchase 135,000 of the previously unissued 2011 Warrant Shares.

D. TCP, TCP 2, TMF, Northcreek and the Company desire to amend the Registration Rights Agreement to add Stinger as a party to the Registration Rights Agreement.

D. Pursuant to Section 3.2 of the Registration Rights Agreement, this Amendment may be effected with the consent of (i) TCP and TMF, which entities together constitute the Majority Holders of the Registrable Securities, and (ii) the Company.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the parties hereto hereby agree as follows:

1. Amendments to Registration Rights Agreement.

(a) From and after the date of this Amendment, the parties agree that the terms “**Stockholder**” and “**Stockholders**” used in the Registration Rights Agreement shall mean

(i) the stockholders or warrant holders of the Company identified on the signature page to the Registration Rights Agreement, the signature page to Amendment No. 1 and the signature page to this Amendment, and (ii) any person or entity that is assigned rights, or becomes a party to the Registration Rights Agreement, pursuant to Section 1.11 of the Registration Rights Agreement.

(b) A new section 1.2(a)(v) is added which reads as follows: "Prior to December 31, 2011, the Company shall amend the Initial 2011 Warrant Shares Registration Statement registering the resale under Rule 415 under the Securities Act of the portion of the 2011 Warrant Shares underlying the warrants issued pursuant to the Warrant Purchase Agreement on September 16, 2011.

2. Joinder of New Stockholders. By execution of this Amendment, Stinger hereby confirms its agreement to be bound as a "Stockholder" under the Registration Rights Agreement, as amended hereby, and as may be subsequently amended, restated, revised, supplemented or otherwise modified from time to time.

3. Miscellaneous.

(a) Effectiveness. This Amendment shall be deemed effective as of the date first written above, as if executed by all parties hereto on such date. Except as specifically modified by the terms set forth herein, the parties hereto acknowledge and agree that the Registration Rights Agreement is in full force and effect. All references in the Registration Rights Agreement to the "**Agreement**" shall be deemed to refer to the Registration Rights Agreement as amended by this Amendment.

(b) Further Assurances. Each party agrees that, from time to time upon the written request of any other party, it will execute and deliver such further documents and do such other acts and things as the other party may reasonably request to effect the purposes of this Amendment.

(c) Severability. Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Amendment shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment.

(d) Counterparts. This Amendment may be executed in one or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(e) Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to the conflicts of laws rules or provisions.

(f) Captions. The captions, headings and arrangements used in this Amendment are for convenience only and do not in any way limit or amplify the terms and provisions hereof.

hereof. (g) No Prejudice. The terms of this Amendment shall not be construed in favor of or against any party on account of its participation in the preparation

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment on this 16th day of September, 2011.

NORTHCREEK MEZZANINE FUND I, L.P.

By: NMF GP, LLC, its general partner

By: Northcreek Management, Inc., its manager

By: /s/ Barry A. Peterson
Name: Barry Peterson
Title: Vice President

STINGER NORTHCREEK PATK LLC

By: Northcreek Management, Inc., its manager

By: /s/ Barry A. Peterson
Name: Barry Peterson
Title: Vice President

PATRICK INDUSTRIES, INC.

By: /s/ Andy L. Nemeth
Name: Andy L. Nemeth
Title: Executive Vice President - Finance

TONTINE CAPITAL PARTNERS, L.P.

By: Tontine Capital Management, L.L.C., its general partner

By: /s/ Jeffrey L. Gendell
Name: Jeffrey L. Gendell
Title: Managing Member

TONTINE CAPITAL OVERSEAS MASTER FUND, L.P.

By: Tontine Capital Overseas GP, L.L.C., its general partner

By: /s/ Jeffrey L. Gendell
Name: Jeffrey L. Gendell
Title: Managing Member

TONTINE CAPITAL OVERSEAS MASTER FUND II, L.P.

By: Tontine Asset Associates, L.L.C., its general partner

By: /s/ Jeffrey L. Gendell
Name: Jeffrey L. Gendell
Title: Managing Member

[Signature Page to Amendment No. 2 To Second Amended And Restated Registration Rights Agreement]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES ACT OF ANY STATE. THIS NOTE MAY NOT BE OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THIS NOTE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND SUCH STATE OR OTHER LAWS AS MAY BE APPLICABLE, OR AN APPLICABLE EXEMPTION TO THE REGISTRATION REQUIREMENTS OF SUCH ACT AND SUCH LAWS.

THIS INSTRUMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AND INTERCREDITOR AGREEMENT (AS THE SAME MAY BE AMENDED OR OTHERWISE MODIFIED FROM TIME TO TIME PURSUANT TO THE TERMS THEREOF, THE "**SUBORDINATION AGREEMENT**") DATED AS OF SEPTEMBER 16, 2011 AMONG A.I.A. COUNTERTOPS, LLC, AN INDIANA LIMITED LIABILITY COMPANY ("**AIA**"), ITS MEMBERS, RICHARD HICKS, ROGER KORENTRA, SAM KORENTRA AND BRUCE KORENTRA (AIA AND ITS MEMBERS ARE COLLECTIVELY THE "**SUBORDINATED CREDITORS**"), PATRICK INDUSTRIES, INC., AN INDIANA CORPORATION (THE "**COMPANY**"), WELLS FARGO CAPITAL FINANCE, LLC ("**AGENT**"), TONTINE CAPITAL OVERSEAS MASTER FUND II, L.P., A CAYMAN ISLANDS LIMITED PARTNERSHIP ("**TONTINE**"), NORTHCREEK MEZZANINE FUND I, LP., A DELAWARE LIMITED PARTNERSHIP ("**NORTHCREEK**"), ON ITS BEHALF AND IN ITS CAPACITY AS COLLATERAL AGENT (AS DEFINED IN THE SUBORDINATION AGREEMENT) AND STINGER NORTHCREEK PATK LLC, A DELAWARE LIMITED LIABILITY COMPANY ("**STINGER**"; TOGETHER WITH TONTINE AND NORTHCREEK, COLLECTIVELY, THE "**NOTEHOLDERS**"), TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY THE CREDIT PARTIES (AS DEFINED IN THE SUBORDINATION AGREEMENT) PURSUANT TO THAT CERTAIN CREDIT AGREEMENT DATED AS OF MARCH 31, 2011 AMONG THE COMPANY, AGENT AND THE LENDERS FROM TIME TO TIME PARTY THERETO, AND THE OTHER WFCF SENIOR DEBT DOCUMENTS (AS DEFINED IN THE SUBORDINATION AGREEMENT) AND THAT CERTAIN SECURED SENIOR SUBORDINATED NOTE AND WARRANT PURCHASE AGREEMENT DATED AS OF MARCH 31, 2011 AMONG COMPANY, THE COLLATERAL AGENT AND THE NOTEHOLDERS, AND THE OTHER NOTEHOLDER SENIOR DEBT DOCUMENTS (AS DEFINED IN THE SUBORDINATION AGREEMENT) AS SUCH SENIOR DEBT DOCUMENTS (AS DEFINED IN THE SUBORDINATION AGREEMENT) HAVE BEEN AND HEREAFTER MAY BE AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME AND TO INDEBTEDNESS REFINANCING THE INDEBTEDNESS UNDER SUCH AGREEMENTS AS PERMITTED BY THE SUBORDINATION AGREEMENT; AND EACH HOLDER OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

PATRICK INDUSTRIES, INC.
SUBORDINATED SECURED PROMISSORY NOTE

\$2,000,000.00

September 16, 2011

FOR VALUE RECEIVED, the undersigned, PATRICK INDUSTRIES, INC., an Indiana corporation (the "Buyer"), promises to pay to A.I.A. Countertops, LLC, an Indiana limited liability company which will be renamed or dissolved on or about the date hereof (together with its successors and permitted assigns, "Holder"), TWO MILLION DOLLARS (\$2,000,000.00) (the "Principal Amount"), together with interest on the unpaid balance of such Principal Amount at the Interest Rate (as defined below), in the manner set forth herein.

1. Reference to Purchase Agreement. This Subordinated Secured Promissory Note (this "Note") is being issued and delivered by Buyer to Holder pursuant to the terms of that certain Asset Purchase Agreement dated as of September 16 2011 (the "Purchase Agreement") by and between Holder and its Members and Buyer. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

2. Payment of Principal and Interest.

(a) The unpaid Principal Amount due under this Note shall bear interest from the date hereof until the date paid in full at an annual rate equal to ten percent (10%) per annum (as adjusted by Section 8 below, the "Interest Rate") (computed on the basis of the actual number of days elapsed based in a 360-day year, consisting of twelve (12) 30-day months), payable in arrears on the dates set forth in Section 2(b) below.

(b) The outstanding Principal Amount shall be due and payable, together with all unpaid interest accrued hereon, in eight (8) consecutive quarterly installments of \$250,000 commencing on December 16, 2011 and on the 16th day of each March, June, September and December thereafter until paid in full. If all or a part of any quarterly installment of the Principal Amount is not made as a result of a prohibition in the Subordination Agreement, such amount shall be deferred to September 16, 2013 (the "Maturity Date") and the Interest Rate shall immediately increase to twelve percent (12%) per annum until payment of such installment is made.

3. Prepayment. Buyer may, at its option at any time and from time to time hereafter, prepay, in whole or in part, without premium or penalty, the outstanding Principal Amount, together with accrued but unpaid interest on such Principal Amount as of the date of such prepayment. Any and all such prepayments shall be applied to the remaining scheduled installments of the Principal Amount in order of maturity.

4. Manner and Application of Payments. All amounts payable hereunder shall be payable to Holder by check or wire transfer of immediately available funds. Payments hereunder

shall be applied first to interest and then to principal outstanding hereunder.

5. Creation of Security Interest. As security for payment of the amounts due hereunder, the Buyer hereby assigns and grants to the Holder a continuing subordinate security interest in the following property of the Buyer, whether now or hereafter owned, existing, acquired or arising and wherever now or hereafter located: (i) all accounts receivable, (ii) all inventory, and (iii) all additions and accessions to, substitutions for, and replacements, products and proceeds of any of the foregoing property, including, without limitation, all of the Buyer's books and records relating to any of the foregoing. The Buyer hereby consents to the Holder's filing of a financing statement in the Secretary of State of Indiana.

6. Defaults. Buyer shall be deemed in default hereunder upon the occurrence of any of the following (a "Default"):

(a) The failure of Buyer to pay, when due (whether by scheduled maturity, acceleration or otherwise), any payment of principal or interest required to be made by this Note, unless Buyer is at such time prohibited from making such payment under the terms of the Subordination Agreement;

(b) Buyer shall have entered against it by a court having jurisdiction thereof a decree or order for relief in respect to Buyer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official shall be appointed for Buyer or for any substantial part of Buyer's property, or the winding up or liquidation of Buyer's affairs shall have been ordered;

(c) Buyer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or consent to the entry of an order for such relief in an involuntary case under any such law, or any such involuntary case shall commence, and not be dismissed within sixty (60) days, or Buyer shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official for Buyer or for any substantial part of Buyer's property, or make any general assignment for the benefit of creditors;

(d) Buyer shall default in the observance or performance of any other agreement or condition relating to such indebtedness, beyond any applicable grace period, provided that such default or other event or condition is to cause such indebtedness to become immediately due; or

(e) A dissolution or liquidation of Buyer shall have been approved, declared or shall have occurred.

7. Consequence of Default. Upon the occurrence of a Default, the unpaid principal balance due hereunder shall bear interest at a "Default Rate" equal to 12% per annum until such Default is cured (or in the case of an acceleration of the entire then outstanding Principal Amount and all interest then accrued and unpaid, until all such obligations are paid in full), and the entire then outstanding Principal Amount and all interest then accrued and unpaid thereon shall, at the option of Holder, become immediately due and payable, subject to the terms of the Subordination Agreement. Notwithstanding the foregoing, if there shall occur a Default under Section 6(b) or (c) above, then the entire then outstanding Principal Amount and all interest then accrued and unpaid thereon shall become immediately due and payable without any action on the part of Holder. The remedies set forth herein shall be in addition to, and not in lieu of, any other additional rights or remedies to which Holder may be entitled, whether at law, in equity or otherwise.

8. Set-Off. Notwithstanding any provision to the contrary herein, any indemnification amounts owing to Buyer under the Purchase Agreement may be applied, at Buyer's election, to reduce this Note in accordance with the provisions of the Purchase Agreement after giving fifteen (15) days notice to at least two (2) Members, unless the Seller has contested the obligation to indemnify in accordance with the provisions of the Purchase Agreement.

9. Miscellaneous. Principal and interest due hereunder shall be payable in lawful money of the United States of America and shall be payable to Holder in accordance with the Purchase Agreement and this Note. If any payment on this Note shall become due on a Saturday, Sunday or a bank or legal holiday, then such payment shall be made on the next succeeding business day. Any notice required or permitted to be given hereunder shall be given in accordance with Section 9.6 of the Purchase Agreement. This Note may not be modified or amended other than by an agreement in writing signed by Buyer and Holder. Neither the failure nor any delay on the part of Holder in exercising any right, power, or remedy under this Note shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Anything in this Note to the contrary notwithstanding, this Note shall be binding on any successors and assigns of the holder of this Note and Buyer. Holder shall not assign this Note without the prior written consent of Buyer unless to the Members of Seller upon dissolution and liquidation of Seller. This Note shall be governed and construed in accordance with the internal laws of the State of Indiana.

10. CONSENT TO JURISDICTION. BUYER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES FEDERAL DISTRICT COURT, SOUTH BEND DIVISION, OR INDIANA STATE COURT SITTING IN ELKHART COUNTY, INDIANA IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE AND BUYER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF HOLDER TO BRING PROCEEDINGS AGAINST BUYER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY BUYER AGAINST HOLDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS NOTE SHALL BE BROUGHT ONLY IN A COURT IN ELKHART COUNTY, INDIANA.

11. WAIVER OF JURY TRIAL. BUYER AND, BY ITS ACCEPTANCE HEREOF, HOLDER, HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN

TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS NOTE OR THE RELATIONSHIP ESTABLISHED HEREUNDER.

* * *

IN WITNESS WHEREOF, Buyer has executed and delivered this Note as of the date first stated above.

PATRICK INDUSTRIES, INC.

By: /s/ Andy L. Nemeth
Name: Andy L. Nemeth
Title: Executive Vice President of Finance, Chief Financial Officer, Secretary and Treasurer

Accepted, Agreed and Acknowledged:

A.I.A. COUNTERTOPS, LLC

By: /s/ Richard Hicks
Name: Richard Hicks
Title: President

Subordinated Secured Promissory Note



For Immediate Release

**Patrick Industries, Inc. Completes Acquisition of Manufactured Products
Business of A.I.A. Countertops, LLC**

ELKHART, IN – September 19, 2011 – Patrick Industries, Inc. (NASDAQ: PATK) (the “Company”) announced today that it has completed the acquisition of certain assets of Syracuse, Indiana-based A.I.A. Countertops, LLC (“AIA”), a premier fabricator of DuPont™ Corian® countertops, backsplashes, tables, signs, and other products for the RV and commercial markets, for a net purchase price of approximately \$5.7 million. AIA’s projected annualized revenues are approximately \$20 million. The acquisition is expected to be immediately accretive to earnings.

The acquisition was primarily funded through borrowings under the Company’s revolving credit facility and subordinated financing provided by Northcreek Mezzanine Fund I, L.P. (“Northcreek”) and an affiliate of Northcreek, in the form of secured senior subordinated notes. Northcreek is an existing lender to and shareholder of Patrick. In addition, certain former members of AIA’s ownership group will carry a note receivable from the Company. AIA’s current management team will continue to manage the operation under the AIA name in its existing manufacturing facility following the closing.

“The acquisition of AIA is a natural fit with Patrick’s existing RV and commercial businesses as it will afford us the opportunity to gain additional penetration and foothold in the RV and industrial market sectors and bring added value to our customers in terms of innovation, price, flexibility and product offering. Additionally, the strength and dedication of AIA’s management team, with more than 27 years of industry and operational experience, and its solid reputation in the marketplace will be an asset to our organization as we continue to capitalize on our core competencies and execute on our strategic initiatives,” stated Todd Cleveland, President and Chief Executive Officer.

About Patrick Industries

Patrick Industries, Inc. (www.patrickind.com) is a major manufacturer of component products and distributor of building products serving the recreational vehicle, manufactured housing, kitchen cabinet, household furniture, fixtures and commercial furnishings, marine, and other industrial markets and operates coast-to-coast through locations in 12 states. Patrick’s major manufactured products include decorative vinyl and paper panels, wrapped mouldings, cabinet doors and components, interior passage doors, slotwall and slotwall components, and countertops. The Company also distributes drywall and drywall finishing products, wiring, electrical and plumbing products, electronics, cement siding, interior passage doors, roofing products, and other miscellaneous products.

Forward-Looking Statements

This press release contains certain statements related to future results, or states our intentions, beliefs and expectations or predictions for the future, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ

materially from either historical or anticipated results depending on a variety of factors. Potential factors that could impact results include: the impact of any economic downturns especially in the residential housing market, pricing pressures due to competition, costs and availability of raw materials, availability of commercial credit, availability of retail and wholesale financing for residential and manufactured homes, availability and costs of labor, inventory levels of retailers and manufacturers, levels of repossessed residential and manufactured homes, the financial condition of our customers, the ability to generate cash flow or obtain financing to fund growth, future growth rates in the Company's core businesses, interest rates, oil and gasoline prices, the outcome of litigation, adverse weather conditions impacting retail sales, and our ability to remain in compliance with our credit agreement covenants. In addition, national and regional economic conditions and consumer confidence may affect the retail sale of recreational vehicles and residential and manufactured homes. The Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date hereof or otherwise. Further information regarding these and other risks, uncertainties and factors is contained in the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2010, and in the Company's Form 10-Qs for subsequent quarterly periods, which are filed with the Securities and Exchange Commission ("SEC") and are available on the SEC's website at www.sec.gov.

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