

Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

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

1. Name of conveying party(ies):
Marco Wood Products Inc.

- Individual(s)
- General Partnership
- Corporation-State Michigan
- Other _____
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: 6/25/04

2. Name and address of receiving party(ies)

Name: Legg Mason SBIC Mezzanine Fund, L.P
Internal Address: _____
Address: _____
Street Address: 111 S. Calvert St., Suite 1800
City: Baltimore State: MD Zip: 21202

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) 2,711,126;
2,563,891; 2,562,022

Additional number(s) attached Yes No

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

Name: Vasilios Peros

Internal Address: _____

Street Address: Venable LLP

Two Hopkins Plaza, Suite 1800

City: Baltimore State: MD Zip: 21201

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41).....\$ 140.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

22-0261

DO NOT USE THIS SPACE

9. Signature.

Vasilios Peros
Name of Person Signing


Signature

7/16/04
Date

Total number of pages including cover sheet, attachments, and document: 8

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

CH \$140.00 220261 2711126

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

Item 4B (Continued)

4B. Trademark Registration No.(s):
2,147,021; 1,318,134

EXECUTION COPY

GRANT OF SECURITY INTEREST IN TRADEMARKS

THIS GRANT OF SECURITY INTEREST IN TRADEMARKS ("*Agreement*") is made as of June 25, 2004, by and between **MARCO WOOD PRODUCTS INC.**, a Michigan corporation (the "*Grantor*"), and **LEGG MASON SBIC MEZZANINE FUND, L.P.**, a Delaware limited partnership (the "*Secured Party*").

WHEREAS, Secured Party has agreed to loan up to Six Million Five Hundred Thousand Dollars (\$6,500,000) to Grantor, pursuant to that certain Note and Warrant Purchase Agreement dated of even date herewith (the "*Purchase Agreement*"), between Grantor and the Secured Party and guaranteed by Backyard Buildings, Inc., a Delaware corporation, and Heartland Industries, Inc. (DE), a Delaware corporation; and

WHEREAS, pursuant to terms of the Purchase Agreement, as a condition of advancing such loan, Secured Party requires that Grantor enter into this Agreement.

NOW THEREFORE, in consideration of the promises and the covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the undersigned parties agree as set forth below.

1. Grant of Security Interest. Grantor hereby grants to Secured Party a security interest in all of Grantor's now-existing or hereafter acquired right, title and interest in and to all unregistered and registered trademarks and trademark applications in the United States of America and all foreign countries thereto, including without limitation, the trademarks and trademark applications identified in Exhibit A herein, and all renewals, extensions and substitutions thereof (the "*Trademarks*"); any and all goodwill of Grantor's business symbolized by or associated with the Trademarks; and any and all proceeds thereof, including without limitation, any claims by Grantor against third parties for infringement of the Trademarks (collectively, the "*Collateral*").

2. Obligations Secured/ Limitations. This Agreement is made to Secured Party to secure the payment and performance of all Obligations (as defined in the Purchase Agreement). Grantor does hereby further acknowledge that the rights and remedies of Secured Party with respect to the security interest in the Collateral granted hereunder are more fully set forth in the Purchase Agreement, the terms and provisions of which are incorporated herein by reference.

3. Miscellaneous.

(a) Satisfaction. Upon payment in full of the Obligations (other than contingent indemnification obligations to the extent none are then asserted), Secured Party will execute and deliver a termination statement regarding the security interest in the Collateral and a re-assignment of the Collateral, if applicable, to Grantor for filing by

Grantor, and execute and deliver for filing by Grantor any other instrument or document as may be reasonably requested by Grantor to effect such termination and re-assignment, at Grantor's expense.

(b) Severability; Captions. In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement, which shall be deemed severable. The captions and paragraph headings shall not be considered part of this Agreement.

(c) Parties; Changes. This Agreement shall be binding upon and for the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

(d) Choice of Law. The validity, interpretation and effect of this Agreement shall be governed by the laws of the State of Maryland, without regard to its rules for conflicts of law.

(e) Counterparts. This Agreement may be executed by the parties in one or more counterparts, each of which shall be binding against the signatory and all of which taken together shall constitute one instrument.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Grant of Security Interest in Trademarks as of the day and year first above written.

GRANTOR:

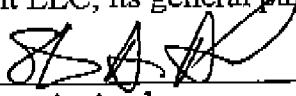
MARCO WOOD PRODUCTS INC.

By: _____
Name: _____
Title: _____

SECURED PARTY:

**LEGG MASON SBIC MEZZANINE FUND, L.P.,
a Delaware limited partnership**

By: Legg Mason SBIC Mezzanine Fund
Management LLC, its general partner

By: 
Name: Steven A. Axel
Its: Member

[Signature Page to Grant of Security Interest in Trademarks]

IN WITNESS WHEREOF, the parties hereto have executed this **Grant of Security Interest in Trademarks** as of the day and year first above written.

GRANTOR:

MARCO WOOD PRODUCTS INC.

By: [Signature]
Name: ROBERT T. BLAIR
Title: AUTHORIZED SIGNATOR

SECURED PARTY:

**LEGG MASON SBIC MEZZANINE FUND, L.P.,
a Delaware limited partnership**

By: Legg Mason SBIC Mezzanine Fund
Management LLC, its general partner

By: _____
Name: Steven A. Axel
Its: Member

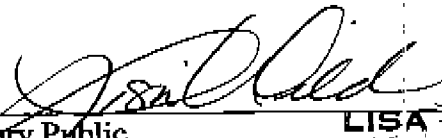
[Signature Page to Grant of Security Interest in Trademarks]

STATE OF Connecticut)
)
CITY/COUNTY OF Fairfield)

ss. Greenwich

I HEREBY CERTIFY that on JUNE 25, 2004, before me, a Notary Public of the State of Connecticut, personally appeared Robert T. Blais who acknowledged himself to be the ^{Asst. Treasurer & Auth. Signatory} of Marco Wood Products Inc. (the "Corporation") and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself as such officer.

WITNESS my hand and Notarial Seal.


Notary Public **LISA A. WILD**
My Commission Expires **NOTARY PUBLIC**
MY COMMISSION EXPIRES AUG. 31, 2007

[Notary Page to Grant of Security Interest in Trademarks]

EXECUTION COPY**EXHIBIT A****Trademarks****Current Trademarks**

<u>Trademark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Registration Date</u>
Backyard Buildings & More	US	2,711,126	April 29, 2003
Shedmaster (mark and design)	US	2,563,891	April 23, 2002
Shedmaster	US	2,562,022	April 16, 2002
Ultraside	US	2,147,021	March 31, 1998
Handy Hut	US	1,318,134	February 5, 1985

Trademark Applications

None.



575 7th Street, NW
Washington, DC 20004-1801

Telephone 202-344-4000
Facsimile 202-344-8300

www.venable.com

TO: **U.S. Patent and Trademark
Assignment Office**

FAX NUMBER:
703-306-5995

PHONE NUMBER:
703-308-9723

SENDER:
Mark B. Harrison

SENDER'S FAX NUMBER:
202-344-8300

SENDER'S PHONE NUMBER:
202-344-4019

DATE:
August 2, 2004

CLIENT/MATTER NUMBER:
43067-203145

PAGES, INCLUDING THIS PAGE:
9

MESSAGE:

Re: **Recordation of a Security Agreement**

Please see the attachment

If you require assistance with this transmission, please contact the sender.

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via the U.S. postal service. Thank you.

RECORDED: 08/02/2004

**TRADEMARK
REEL: 002906 FRAME: 0219**