

08-29-2001

Form PTO-1595
(Rev. 03/01)



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

OMB No. 0651-0027 (exp. 5/31/2002)

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

1. Name of conveying party(ies):

Hedstrom Corporation

8.22.01

2. Name and address of receiving party(ies)

Name: Congress Financial Corporation
(Central)

Internal Address: _____

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other Patent, Trademark and Copyright Mortgage

Street Address: 150 South Wacker Drive

Suite 2200

City: Chicago State: IL Zip: 60606

Execution Date: July 31, 2001

Additional name(s) & address(es) attached? Yes No

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

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

09/791071

B. Patent No.(s)

Additional numbers attached? Yes No

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

Name: Maisha Gibson

Internal Address: _____

Street Address: Goldberg, Kohn, et al

55 E. Monroe St., 37th Floor

City: Chicago State: IL Zip: 60603

6. Total number of applications and patents involved: 114

7. Total fee (37 CFR 3.41).....\$4,560.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

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9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Maisha Gibson

August 20, 2001

Date

Name of Person Signing

Signature

Total number of pages including cover sheet, attachments, and documents: 15

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

08/28/2001 DBYRME

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**Hedstrom Corporation Patents and Designs
CONTINUATION OF ITEM 4**

Name of Patent	Patent Number	Serial Number
Electrio Sound Device Zoom		09/193038
Super Grip Pad		09/728014
3-In-1 Game Table (Provisional)		60/263156
8 Foot Blow Molded Slide	D363521	
8 Foot Tunnel Slide	D372065	
Amusement Center Wood Kit	D367310	
Amusement Center Wood Kit	5528875	
Baby Walkaround	6178976	
Ball Pit & Balls	D366511	
Balloon Cushion Mattress Trampoline	5729852	
Basketball Goal	6672130	
Big Wheel	283844	
Bump N' Glide Ride	D366687	
Childrens Climber	D261992	
Childrens Play Gym SDX 1	D347458	
Childrens Play Gym/Big T	D288423	
Childrens Swing Ride – Rocket Design	D350381	
Childrens Tandem Swing (Rocket Rider)	5393268	
Childrens Tandem Swing (Rocket Rider)	5326326	
Childs Outdoor Play Gym	D270927	
Control Tower Wood Kit	D368686	
Convertible Game Table	09/861793	
Crossfire Bicycle	D317142	
Electric Sound Device Zoom		09/193038
Fabric Coated Sled	5893570	
Fisher Price Basketball Goal	A63B63	
Foldable Play Gym	665539	
Foldable Play Gym	4190283	
Foldable Play Gym	4256300	
Foldable Play Gym	611176	
Foldable Play Yard	D304523	
Foldable Play Yard	4811437	
Folding Seat Back for Stroller	5652380	
Game With Stick	5672129	
Gazebo Style Wood Kit	D366086	
Grow With Me Pony	D415213	
Grow With Me Pony	6036604	
Hasbro Inflatable	D383504	
Hobby Horse Portective Sheath	5045489	
Improved Socket Actuated Brake	4254848	

Name of Patent	Patent Number	Serial Number
Infant Toy With Universal Mounting	5672086	
Infant Training Walker	5726030	
Inflatable Apparatus for Play Balls	4362193	
Inflatable Exercise Device	6068580	
Knock Down Tricycle/Go Trike	D290940	
Knoosh Vortex Megahowler	D345001	
Low Power Music Synthesizer	5726963	
Max Cube Container	6105804	
Method and Apparatus For Sound	4187635	
Method for Assembling Structure	507441	
Motorized Swing	4150620	
Nerf Soccer Ball	751K016	
Panel for Activity Sand Castle Gym	D360519	
Pedal Car	D109924	
Pedestal Pony	D341389	
Pinwheels for Gyms	5749785	
Plastic Wheel (Mag)	D284073	
Play Gym Bearing Cover (Sleeve)	5338127	
Play Gym Construction (Frame Brace)	5364312	
Play Gym Hinge Guard	4961558	
Playground Apparatus	4226411	
Playground Apparatus	5783225	
Playground Equip. Victor Stanley, Inc.	4252313	
Play-Inside Play Structure	5783185	
Pneumatic Wheel & Method Improved	4267661	
Portable Infant Activity Ctr.	5732989	
Race N' Ride Slide	5642927	
Ramp (Kicker)	5946756	
Riding Toy	D287187	
Riding Toy	D362617	
Riding Toy	D258562	
Riding Toy	D258368	
Riding Toy With Spring Support Base	4351521	
Roadmaster Riding Cycle	D377773	
Rocket Rider Infringement (Settled)	5393268	
Rocket Rider Horse – Today's Kids	5328410	
Rocket Rider Horse – Today's Kids	D344297	
Ruff N Tumble Inflatable	D393686	
Scissor Frame Lock	4245650	
Shindo Water Gun	D140711	
Sidewalk Bike/Go Bike	D291291	
Sidewalk Bike/Go Bike	D291292	
Simulative Toy Vehicle	D258746	

Name of Patent	Patent Number	Serial Number
Spring Actuated Swing Device	5624321	
Spring Clip Connection Assembly	5004216	
Spring Motor Drive	4211401	
Spring Mounted Riding Toy	D265223	
Spring Mounted Riding Toy	D265224	
Spring Mounted Riding Toy	D265334	
Dual Swing Seating Platform	D367099	
Support Arch for Slide	D363185	
Supported Gym Slide/Gym Dandy	3141670	
Sure Grip Pad	6193632	
Sure Grip Pad (Continuation)		09/728014
Surfer Ride Design	D331092	
Swing Brake System	4138104	
Swing Seat Contour Design	D343671	
Swing Seat Design	D277022	
Teeter Totter Fisher Price	D377512	
Torpedo Toy	5514023	
Tower Gyms Pyramid	D363524	
Tower Gyms Pyramid	D363512	
Toy Ride-In Airplane	D384706	
Toy Tank-Like Vehicle	D255747	
Toy Tree House	D266746	
Toy Wagon Little Tikes	D382308	
Trampoline Study	5399132	
Trampoline Suspension System	4863156	
Trampoline Tent	5711743	
Tree Support for Gyms Soft Play, Inc.	D376405	
Universal Velocipede Wheel	4405178	
Variable Speed Shaft Drive System/OCHS	5135692	
Wing Swing Seat & Device	5143602	

**PATENT, TRADEMARK
AND COPYRIGHT MORTGAGE**

THIS PATENT, TRADEMARK AND COPYRIGHT MORTGAGE (the "Mortgage") made as of this 31st day of July, 2001, by Hedstrom Corporation, a Delaware corporation, with its principal place of business and chief executive office at 585 Slawin Court, Mount Prospect, Illinois 60056-2183 ("Mortgagor") in favor of Congress Financial Corporation (Central) ("Congress"), with an office at 150 South Wacker Drive, Suite 2200, Chicago, Illinois 60606, in its capacity as Collateral Agent ("Mortgagee"):

W I T N E S S E T H

WHEREAS, Mortgagor, Congress and Mortgagee are parties to a certain Loan and Security Agreement of even date herewith, as amended and supplemented (the "Loan Agreement") and other related loan documents of even date herewith (collectively, with the Loan Agreement, the "Financing Agreements"), which Financing Agreements provide (i) for Congress to, from time to time, extend credit to or for the account of Mortgagor, (ii) for Mortgagor to guarantee the obligations of Backyard Products Limited to Congress Financial Corporation (Canada), and (iii) for the grant by Mortgagor to Mortgagee of a security interest in certain of Mortgagor's assets, including, without limitation, its patents, patent applications, trademarks, trademark applications, trade names, service marks, service mark applications, goodwill and licenses;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Mortgagor agrees as follows:

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Financing Agreements.

2. Mortgage of Patents, Trademarks and Copyrights. To secure the complete and timely satisfaction of all of the Obligations and Canadian Obligations (each as defined in the Loan Agreement), Mortgagor hereby grants a security interest in and mortgages to Mortgagee, as and by way of a mortgage and security interest, with power of sale during the continuance of an Event of Default, to the extent permitted by law, all of Mortgagor's right, title and interest in and to all of its now existing and hereafter created or acquired (the "Intellectual Property"):

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on Exhibit A attached hereto and hereby made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, damages and payments now and hereafter due or payable under or with respect thereto, including, without

limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) of this subsection 2(i), are sometimes hereinafter referred to individually as a "Patent" and, collectively, as the "Patents");

(ii) trademarks, trademark registrations, trademark applications, trade names and tradestyles, service marks, service mark registrations, service mark applications and brand names, including, without limitation, the trademarks, trade names, service marks and applications and registrations thereof listed on Exhibit B attached hereto and hereby made a part hereof, and (a) renewals or extensions, thereof, (b) all income, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names, service marks and applications and registrations thereof, together with the items described in clauses (a)-(d) of this subsection 2(ii), are sometimes hereinafter referred individually as a "Trademark" and, collectively, as the "Trademarks");

(iii) copyrights, rights and interests in copyrights, works protectable by copyrights, copyright registrations and copyright applications, including, without limitation, the copyright registrations and applications listed on Exhibit C attached hereto and made a part hereof, and all renewals of any of the foregoing, all income, royalties, damages and payments now and hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Copyrights"); and

(iv) the goodwill of Mortgagor's business connected with and symbolized by the Trademarks.

3. Warranties and Representations. Mortgagor warrants and represents to Mortgagee that:

(i) no material Patent, Trademark or Copyright has been adjudged invalid or unenforceable nor has any such material Patent, Trademark or Copyright been cancelled, in whole or in part and each such material Patent, Trademark and Copyright is presently subsisting;

(ii) each material Patent, Trademark and Copyright is valid and enforceable;

(iii) Except for liens permitted by the Loan Agreement, Mortgagor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each material Patent, Trademark and Copyright, free and clear of any liens, charges and encumbrances, including without limitation licenses, shop rights and covenants by Mortgagor not to sue third persons;

(iv) Mortgagor has no notice of any suits or actions commenced or threatened with reference to the material Patents, Trademarks or Copyrights; and

4. Intentionally Omitted.

5. New Patents, Trademarks and Copyrights. Mortgagor represents and warrants that the Patents, Trademarks and Copyrights listed on Exhibits A, B and C, respectively, constitute all of the registered (or for which registration has been applied for) Patents, Trademarks and Copyrights now owned by Mortgagor. If, before the Obligations and the Canadian Obligations shall have been satisfied in full or before the Financing Agreements have been terminated, Mortgagor shall (i) become aware of any existing registered (or for which registration has been applied for) Patents, Trademarks and Copyrights of which Mortgagor has not previously informed Mortgagee, (ii) obtain rights to any new material patentable inventions, Patents, Trademarks, copyrightable works or Copyrights or any new registered (or for which registration has been applied for) Patents, Trademarks or Copyrights, or (iii) become entitled to the benefit of any Patents, Trademarks or Copyrights which benefit is not in existence on the date hereof, the provisions of this Mortgage above shall automatically apply thereto and Mortgagor shall give to Mortgagee prompt written notice thereof. Mortgagor hereby authorizes Mortgagee to modify this Mortgage by amending Exhibits A, B and C, as applicable, to include any such Patents, Trademarks and Copyrights.

6. License, Royalties and Term. Mortgagor irrevocably grants Mortgagee, during the continuance of an Event of Default, a license to use all Intellectual Property in connection with the maintenance, preservation, preparation, sale, disposition, collection, foreclosure or other realization of, upon, or with respect to the Collateral (as defined in the Loan Agreement) in accordance with the Financing Agreements. The term of the mortgages and license granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks and Copyrights assigned hereunder, and (ii) the payment in full of the Obligations, the Canadian Obligations and the termination of the Financing Agreements. Mortgagor agrees that during the continuance of an Event of Default, the use by Mortgagee of all Patents, Trademarks and Copyrights shall be worldwide, except as limited by their terms, and without any liability for royalties or other related charges from Mortgagee to Mortgagor.

7. Product Quality. Mortgagor agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. During the continuance of an Event of Default, Mortgagor agrees that Mortgagee, or a conservator appointed by Mortgagee, shall have the right to establish such additional product quality controls as Mortgagee, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Mortgagor under the Trademarks.

8. Release of Mortgage. This Mortgage is made for collateral purposes only. Upon payment in full of the Obligations and the Canadian Obligations and termination of the Financing Agreements, Mortgagee shall execute and deliver to Mortgagor all deeds, assignments and other instruments, and shall take such other actions, as may be necessary or proper to re-vest in Mortgagor full title to the Patents, Trademarks and Copyrights, subject to any disposition thereof which may have been made by Mortgagee pursuant to the Financing Agreements.

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Mortgagor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Mortgagee in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents, Trademarks and Copyrights, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, Trademarks and Copyrights, shall be borne by and paid by Mortgagor and shall be charged against the Obligations.

10. Duties of Mortgagor. Except to the extent, in its reasonable business judgment, it determines not to take the following actions, Mortgagor shall have the duty (i) to file and prosecute diligently any patent, trademark, copyright or service mark applications pending as of the date hereof or hereafter until the Obligations and the Canadian Obligations shall have been paid in full and the Financing Agreements have been terminated, (ii) to make application on unpatented but patentable inventions, on all uncopyrighted but copyrightable works, and on trademarks and service marks, as commercially reasonable, (iii) to preserve and maintain all rights in the Patents, Trademarks and Copyrights, as commercially reasonable, and (iv) to ensure that the Patents, Trademark and Copyrights are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Mortgagor's obligations under this Section 10 shall be borne by Mortgagor.

11. Mortgagee's Right to Sue. During the continuance of an Event of Default, Mortgagee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, Trademarks and Copyrights, and, if Mortgagee shall commence any such suit, Mortgagor shall, at the request of Mortgagee, do any and all lawful acts and execute any and all proper documents required by Mortgagee in aid of such enforcement and Mortgagor shall promptly, upon demand, reimburse and indemnify

Mortgagee for all costs and expenses (including reasonable attorneys fees) incurred by Mortgagee in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Mortgagor and Mortgagee, nor any failure to exercise, nor any delay in exercising, on the part of Mortgagee, any right, power or privilege hereunder or under the Financing Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. Severability. The provisions of this Mortgage are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Mortgage in any jurisdiction.

14. Modification. This Mortgage cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Mortgagee's rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Mortgagor hereby authorizes Mortgagee during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of Mortgagee as Mortgagee may select, in its sole discretion, as Mortgagor's true and lawful attorney-in-fact, with power to (i) endorse Mortgagor's name on all applications, documents, papers and instruments necessary or desirable for Mortgagee in the use of the Patents, Trademarks and Copyrights, or (ii) take any other actions with respect to the Patents, Trademarks and Copyrights as Mortgagee deems to be in the best interest of Mortgagee, or (iii) grant or issue any exclusive or non-exclusive license under the Patents, Trademarks and Copyrights to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks and Copyrights to anyone. Mortgagor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Obligations and the Canadian Obligations shall have been paid in full and the Financing Agreements, have been terminated. Mortgagor acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of Mortgagee under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Mortgagee shall have, in addition to all other rights and remedies given it by the terms of this Mortgage and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

16. Binding Effect; Benefits. This Mortgage shall be binding upon Mortgagor and its respective successors and assigns, and shall inure to the benefit of Mortgagee, its successors, nominees and assigns.

17. Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Mortgagor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Mortgagee shall reasonably request from time to time in order to carry out the purpose of this Mortgage and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Mortgagor contained in this Mortgage shall survive the execution and delivery of this Mortgage and shall be remade on the date of each borrowing under the Financing Agreements.

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage in favor of Mortgagee as of the date first written above.

HEDSTROM CORPORATION

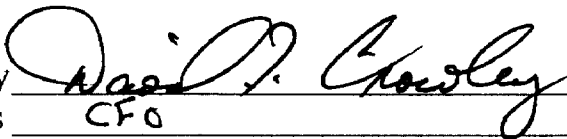
By 
Its CFO

EXHIBIT B
TRADEMARKS

None

EXHIBIT C
COPYRIGHTS

None