

SCHEDULE A-1
TO PATENT COLLATERAL AGREEMENT

U.S. PATENT NUMBERS
PENDING U.S. PATENT APPLICATION NUMBERS

U.S. PATENT NUMBER	TITLE OF PATENT
Model Vehicle and Trading Card Packaging System	5,611,432
Package for Trading Card and Model Vehicle	4,905,828

PENDING U.S. PATENT APPLICATION NUMBERS

NONE

PATENT COLLATERAL AGREEMENT

This 4th day of March, 2003, RACING CHAMPIONS, INC., an Illinois corporation ("*Debtor*") with its principal place of business and mailing address at 800 Roosevelt Road Building C, Suite 320, Glen Ellyn, Illinois 60137, in consideration of ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, assigns, mortgages and pledges to Harris Trust and Savings Bank, an Illinois banking corporation with its mailing address at 111 West Monroe Street, Chicago, Illinois 60603, and its successors and assigns ("*Secured Party*"), and grants to Secured Party a continuing security interest in, the following property:

(i) Each patent and patent application listed on Schedule A-1 hereto and all of the inventions described and claimed therein and any and all reissues, continuations, continuations-in-part or extensions thereof; and

(ii) Each patent license listed on Schedule A-2 hereto and all royalties and other sums due or to become due under or in respect of each such patent license, together with the right to sue for and collect all such royalties and other sums; and

(iii) All proceeds of the foregoing, including without limitation any claim by Debtor against third parties for damages by reason of past, present or future infringement of any patent listed on Schedule A-1 hereto or of any patent licensed under a patent license listed on Schedule A-2 hereto, in each case together with the right to sue for and collect said damages;


to secure performance of all Obligations of Debtor as set out in that certain Security Agreement bearing even date herewith between Debtor and Secured Party, as the same may be amended, modified, supplemented or restated from time to time (the "*Security Agreement*").

Debtor does hereby further acknowledge and affirm that the rights and remedies of Secured Party with respect to the assignment, mortgage, pledge and security interest in the patents, patent applications and patent licenses made and granted hereby are more fully set forth in the Security Agreement.

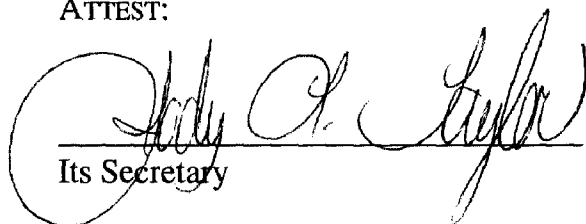
IN WITNESS WHEREOF, Debtor has caused this Patent Collateral Agreement to be duly executed as of the date and year last above written.

(CORPORATE SEAL)

RACING CHAMPIONS, INC.

By 
Name: CURTIS W. STADELTING
Title: CHIEF EXECUTIVE OFFICER

ATTEST:


Its Secretary

JODY L. TAYLOR
(Type or Print Name)

HARRIS TRUST AND SAVINGS BANK

By _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Debtor has caused this Patent Collateral Agreement to be duly executed as of the date and year last above written.

(CORPORATE SEAL)

RACING CHAMPIONS, INC.

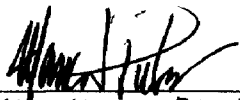
By _____
Name: _____
Title: _____

ATTEST:

Its Secretary

(Type or Print Name)

HARRIS TRUST AND SAVINGS BANK

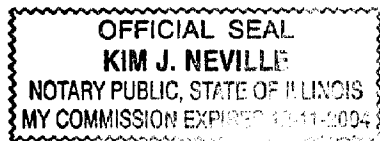
By  _____
Name: MARK W. PIEKOS
Title: VICE PRESIDENT

STATE OF Illinois)
) SS
COUNTY OF Cook)

I, Kim J Neville a Notary Public in and for said County, in the State aforesaid, do hereby certify that Curtis W Stelling, CEO of Racing Champions, Inc., an Illinois corporation, who is personally known to me to be the same person whose name he/she is subscribed to the foregoing instrument as such CEO appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 4th day of March, 2003.

(NOTARIAL SEAL)



Kim J Neville
Notary Public

Kim J Neville
(Type or Print Name)

My Commission Expires:

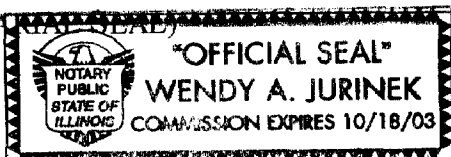
12-11-04

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, WENDY A. JURINEK, a Notary Public in and for said County, in the State aforesaid, do hereby certify that MARK W. PIEKOS, VICE PRESIDENT of Harris Trust and Savings Bank, an Illinois banking corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such VICE PRESIDENT, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act and deed of said Bank for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 4TH day of MARCH, 2003.

(NOTARY SEAL)



My Commission Expires:

Wendy Jurinek
Notary Public

WENDY A. JURINEK
(Type or Print Name)

October 18, 2003

SCHEDULE A-2
TO PATENT COLLATERAL AGREEMENT

PATENT LICENSES

NONE