

07-28-1999



101102994

7-26-99

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

- Mark if additional names of conveying parties attached
- Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

- Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

07/27/1999 DNGUYEN 00000172 1767451

FOR OFFICE USE ONLY

01 FC:481
02 FC:482
40.00 DP
175.00 DP

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text"/>	<input type="text"/>	<input type="text" value="2113189"/>
<input type="text"/>	<input type="text"/>	<input type="text" value="1451490"/>
<input type="text" value="1767451"/>	<input type="text" value="2009146"/>	<input type="text" value="1517587"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Sharon S. McMahan

Sharon S. McMahan

7/21/99

Name of Person Signing

Signature

Date Signed

RECORDATION FORM COVER SHEET CONTINUATION TRADEMARKS ONLY

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Trademark Application Number(s) or Registration Number(s)

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Mark if additional numbers attached

Trademark Application Number(s)

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Registration Number(s)

1766370	1755915	1784615
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
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SCHEDULE A

TRADEMARKS

NAME	REGISTRATION NUMBER	REGISTRATION DATE
Card Factory	19004455 (Wisconsin)	6/23/93
Card Factory	19500037 (Indiana)	12/21/93
Rewinds	1767451	4/27/93
Memo Stack	2009146	10/15/96
Super Roll	2113189	11/11/97
Paper Galore	1451490	8/4/87
The Paper Factory	1517587	12/20/88
Great Party	1766370	4/20/93
Greetings 'N' More	1755915	3/2/93
Greetings 'N' More For Less!	1784615	7/27/93

TRADEMARK APPLICATIONS

None.

TRADEMARK MORTGAGE

THIS TRADEMARK MORTGAGE (this "Mortgage"), made as of the 2nd day of September, 1998 by and between Party Concepts, Inc., a Wisconsin corporation (the "Borrower"), and Heller Financial, Inc., a Delaware corporation, as agent ("Agent") for itself and the Lenders (as defined below).

W I T N E S S E T H

WHEREAS, pursuant to a certain Credit Agreement of even date herewith among the Borrower, Agent and the financial institutions which are, or may from time to time become, parties thereto as lenders (the "Lenders") (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), Agent and the Lenders have agreed, among other things, to make certain loans to the Borrower, and to extend certain other financial accommodations to or for the benefit of the Borrower; and

WHEREAS, pursuant to a certain Security Agreement of even date herewith between Agent and the Borrower (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Security Agreement"), the Borrower has granted to Agent a continuing security interest in certain of the Borrower's assets, including, without limitation, the Trademarks (as defined below);

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

1. Incorporation of Security Agreement; Credit Agreement Definitions. The Security Agreement and the provisions thereof are hereby incorporated herein in their entirety by this reference thereto. Capitalized terms used but not defined herein shall have the respective meanings given thereto in the Credit Agreement.

2. Grant and Reaffirmation of Grant of Security Interest. To secure the complete and timely payment and satisfaction of the Obligations, the Borrower hereby grants to Agent, for the benefit of Agent and the Lenders, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in the Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof and the Trademarks (as such term is defined in the Security Agreement), and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under

or with respect to any of the foregoing 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, and all rights corresponding to any of the foregoing throughout the world and the goodwill of the Borrower's business connected with the use of and symbolized by the Trademark (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademarks").

3. New Trademarks. The Borrower represents and warrants that the Trademarks listed on Schedule A constitute all of the federally registered Trademarks now owned by the Borrower. If, before the Obligations shall have been satisfied in full and the Security Agreement has been terminated, the Borrower shall obtain any new federally registered Trademarks, the Borrower shall give Agent prompt written notice thereof. The Borrower hereby agrees that, upon Agent's written request, the Borrower will execute and deliver to Agent one or more supplements to this Mortgage, each in form and content substantially similar to this Mortgage, in respect of any and all new federally registered Trademarks owned by the Borrower.

4. Term. The term of the security interests granted herein shall extend until the Obligations have been paid in full, other than contingent indemnification obligations to the extent no unsatisfied claim giving rise thereto has been asserted, and the Security Agreement has been terminated in accordance with its terms.

5. Effect on Other Agreements; Cumulative Remedies. The Borrower acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of Agent or any of the Lenders under the Credit Agreement or the Security Agreement but rather is intended to supplement and facilitate the exercise of such rights and remedies. All of the rights and remedies of Agent with respect to the Trademarks, whether established hereby, by the Credit Agreement or the Security Agreement, by any other agreements, or by law, shall be cumulative and may be exercised singularly or concurrently.

6. Binding Effect; Benefits. This Mortgage shall be binding upon the Borrower and its respective successors and assigns, and shall inure to the benefit of Agent and its successors and assigns.

7. APPLICABLE LAW; SEVERABILITY. THIS MORTGAGE SHALL BE CONSTRUED IN ALL RESPECTS IN ACCORDANCE WITH, AND GOVERNED BY, ALL OF THE PROVISIONS OF THE ILLINOIS UNIFORM COMMERCIAL CODE AND BY THE OTHER INTERNAL LAWS (AS OPPOSED TO CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, EXCEPT FOR THE PERFECTION AND ENFORCEMENT OF SECURITY INTERESTS AND LIENS IN OTHER JURISDICTIONS, WHICH SHALL BE GOVERNED BY THE LAWS OF THOSE JURISDICTIONS OR, AS APPLICABLE, BY THE LAWS OF THE UNITED STATES OF AMERICA. WHENEVER POSSIBLE, EACH PROVISION OF THIS MORTGAGE

SHALL BE INTERPRETED IN SUCH A MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS MORTGAGE SHALL 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 PROVISIONS OR THE REMAINING PROVISIONS OF THIS MORTGAGE.

IN WITNESS WHEREOF, the parties hereto have duly executed this Mortgage as of the date first above written.

PARTY CONCEPTS, INC.

By: Steven D. Veldhous
Title: Treasurer / Secretary

Accepted and Agreed to as of the date first written above:

HELLER FINANCIAL, INC., as Agent

By: Paul J. Hints
Its VP