

09-13-2001



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U.S. Patent and Trademark Office

Form PTO-1594

(Rev. 03/01)

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

Tab settings ⇨ ⇨ ⇨ ▼ ▼ ▼ ▼ ▼ ▼ ▼

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

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

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

3. Nature of conveyance:

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

Execution Date: 7/31/01

2. Name and address of receiving party(ies)

Name: Credit Suisse First Boston, as Agent

Internal

Address: _____

Street Address: 11 Madison Avenue

City: New York State: New York Zip: 10010

☐ Individual(s) citizenship _____☐ Association _____☐ General Partnership _____☐ Limited Partnership _____☐ Corporation-State _____☒ Other BankIf 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)

See Attachment A

B. Trademark Registration No.(s)

See Attachment A

Additional number(s) attached ☒ Yes ☐ No

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

Name: Sean Sullivan, Esq.

Internal Address: Wachet11, Lipton, Rosen & Katz

Street Address: 51 West 52nd Street

City: New York State: New York Zip: 10019

6. Total number of applications and registrations involved: _____

7. Total fee (37 CFR 3.41).....\$ 1,000.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number: _____

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

DO NOT USE THIS SPACE

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.

SEAN SULLIVAN

Name of Person Signing

Sean Sullivan

Signature

8/9/01

Date

Total number of pages including cover sheet, attachments, and document: 14

09/13/2001 6TDM11 00000236 76258167

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

01 FC:481
02 FC:482
03 FC:484

40.00 OP
1825.00 OP
120.00 OP

TRADEMARK
REEL: 002325 FRAME: 0729

ATTACHMENT A

Trademarks to be Recorded for Hedstrom Corporation

U.S. Trademark Registrations:

Serial Number

76/258,167
75/782,107
76/247,637
76/261,409
76/247,636
76/122,805
76/194,730
76/089,372
76/044,306
76/224,531
75/487,100
76/088,912
75/782,106
75/487,100
76/169,275

Registration Number

2,462,654
2,103,997
1,440,542
1,659,885
1,549,296
1,421,618
787,086
1,472,155
1,845,759
1,307,236
1,550,300
2,078,160
1,604,839
1,442,013
1,428,568
1,842,855
1,764,670
1,851,578
1,905,087
1,852,494
1,882,353
1,974,846
1,980,232

Registration Number

1,992,036
2,030,779
2,016,237
1,887,654
2,245,753
2,186,641
2,226,586
2,138,963
2,173,961
2,394,528
876,934
1,536,514
1,338,176
1,382,466
1,521,982
1,326,124
876,441
975,854
606,874
1,021,760
876,932
1,062,348
1,569,973
1,272,916
2,206,209
2,242,004
2,198,409
2,242,148
2,255,188

2338584
2431314
2411582
2450593
1842855
1882353
2389592

EXHIBIT B
TO THE
CREDIT AGREEMENT

MASTER GUARANTEE AND COLLATERAL AGREEMENT

made by

HEDSTROM CORPORATION

and certain of its Subsidiaries

in favor of

CREDIT SUISSE FIRST BOSTON,
as Agent

Dated as of July 31, 2001

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**FORM OF
MASTER GUARANTEE AND COLLATERAL AGREEMENT**

This Master Guarantee and Collateral Agreement (this "Agreement"), dated July 31, 2001, made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of CREDIT SUISSE FIRST BOSTON, as Agent (in such capacity, the "Agent") on behalf of the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Credit Agreement, of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among HEDSTROM CORPORATION (the "Borrower"), the Lenders and the Agent.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make the Term Loans to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower is the parent company of each Guarantor;

WHEREAS, the Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the Term Loans under the Credit Agreement; and

WHEREAS, it is a condition precedent to the effectiveness of the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Agent for the benefit of the Lenders;

NOW, THEREFORE, in consideration of the premises and to induce the Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make the Term Loans to the Borrower thereunder, each Grantor hereby agrees with the Agent, for the benefit of the Lenders, as follows:

SECTION 1. DEFINED TERMS

1.1. Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Chattel Paper, Documents, Equipment, Farm Products, Instruments and Inventory.

(b) The following terms shall have the following meanings:

"Agreement": this Master Guarantee and Collateral Agreement as the same may be amended, supplemented or otherwise modified from time to time.

and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including, without limitation, (i) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of such Grantor to damages arising thereunder and (iii) all rights of such Grantor to perform and to exercise all remedies thereunder, in each case to the extent the grant by such Grantor of a security interest pursuant to this Agreement in its right, title and interest in such contract, agreement, instrument or indenture is not prohibited by such contract, agreement, instrument or indenture without the consent of any other party thereto, would not give any other party to such contract, agreement, instrument or indenture the right to terminate its obligations thereunder, or is permitted with consent if all necessary consents to such grant of a security interest have been obtained from the other parties thereto (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents); provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a security interest pursuant to this Agreement in any Receivable or any money or other amount due or to become due under any such contract, agreement, instrument or indenture.

“Grantors”: as defined in the preamble hereto.

“Guarantee”: as defined in subsection 2.1(a).

“Guarantor Obligations”: with respect to any Guarantor, the collective reference to (i) such Guarantor’s guarantee of the Borrower Obligations pursuant to Section 2 and (ii) all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all reasonable fees and disbursements of counsel to the Agent or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Loan Document).

“Guarantors”: the collective reference to each Grantor other than the Borrower.

“Intellectual Property”: the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Intercompany Note”: any promissory note evidencing loans made by any Grantor to the Borrower or any of its Subsidiaries.

“Interest Rate Agreement”: any interest rate swap, option, cap, collar or insurance agreement, any commodity or currency future or any other interest rate, commodity or currency hedge agreement or arrangement which is designed to provide protection

indefeasible payment in full of the Borrower Obligations or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, or of such Guarantor under the Guarantee, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by the Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Agent or any Lender against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.6. Reinstatement. The Guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by the Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.7. Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Agent without set-off or counterclaim in Dollars at the office of the Agent located at Eleven Madison Avenue, New York, New York 10010.

SECTION 3. GRANT OF SECURITY INTEREST

Each Grantor hereby assigns and transfers to the Agent, and hereby grants to the Agent, for the ratable benefit of the Lenders, a lien on and security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security, for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) any Collateral Account;
- (d) all Documents;

- (e) all Equipment;
- (f) all General Intangibles;
- (g) all Instruments;
- (h) all Intellectual Property;
- (i) all Inventory;
- (j) all Pledged Securities;
- (k) Investment Property;
- (l) all Supporting Obligations;
- (m) all books and records pertaining to the Collateral; and
- (n) to the extent not otherwise included, all Proceeds, investment securities and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

(o) Notwithstanding the foregoing, the Collateral shall not include, with respect to any Grantor, any General Intangible or Intellectual Property to the extent the grant by such Grantor of a security interest pursuant to this Agreement in its rights under the license granting such rights in such General Intangible or Intellectual Property, as the case may be, is prohibited by such General Intangible or Intellectual Property, as the case may be, and despite reasonable attempts to obtain the consent of the counter-party to such license, such consent has not been obtained, provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a security interest pursuant to this Agreement in any Account or any money or other amounts due or to become due under such General Intangible or Intellectual Property, as the case may be, to the extent provided in Sections 9-406 and 9-408 of the New York UCC as in effect on the date hereof.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make the Term Loans to the Borrower thereunder, each Grantor hereby represents and warrants to the Agent and each Lender that:

4.1. Representations in Credit Agreement. In the case of each Guarantor, the representations and warranties set forth in the Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct, and the Agent and each Lender shall be entitled to rely on each of them as if they were fully set forth herein, provided, that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this subsection 4.1, be deemed to be a reference to such Guarantor's knowledge.

der the Credit Agreement, from the date of payment by the Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.


7.2. Duty of the Agent. The Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Agent deals with similar property for its own account. Neither the Agent, any Lender nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Agent and the Lenders hereunder are solely to protect the Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Agent or any Lender to exercise any such powers. The Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct or their breach of a Loan Document to which they are a party.

7.3. Execution of Financing Statements. Pursuant to Section 9-509 of the New York UCC and any other applicable law, each Grantor authorizes the Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Agent reasonably determines appropriate to perfect the security interests of the Agent under this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

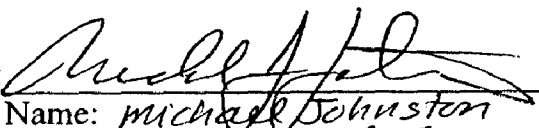
7.4. Authority of the Agent. Each Grantor acknowledges that the rights and responsibilities of the Agent under this Agreement with respect to any action taken by the Agent or the exercise or non-exercise by the Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Agent and the Grantors, the Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

IN WITNESS WHEREOF, each of the undersigned has caused this Master Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

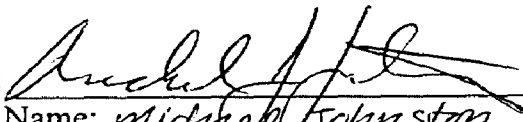
HEDSTROM CORPORATION

By: 
Name: Michael Johnston
Title: President & CEO

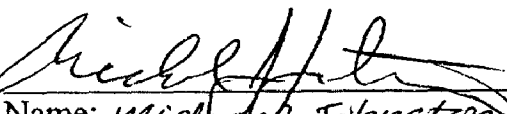
ERO, INC.

By: 
Name: Michael Johnston
Title: President & CEO

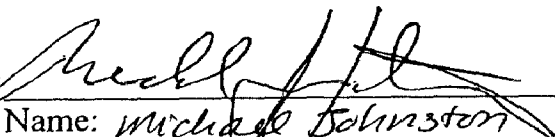
ERO INDUSTRIES, INC.

By: 
Name: Michael Johnston
Title: President & CEO

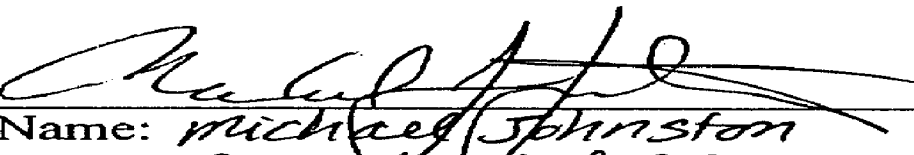
ERO MARKETING, INC.

By: 
Name: Michael Johnston
Title: President & CEO

PRISS PRINTS, INC.

By: 
Name: Michael Johnston
Title: President & CEO

IMPACT, INC.

By: 
Name: *Michael Johnston*
Title: *President & CEO*

ERO CANADA, INC.

By: 
Name: *Michael Johnston*
Title: *President & CEO*

Foreign Trademark Registrations:

<u>Country</u>	<u>Serial No.</u>	<u>Reg. No.</u>
ARGENTINA		1,686,849
AUSTRALIA		718,885
BRAZIL		819681156
CANADA		
CANADA		
CANADA		
CANADA	1104474	
CANADA		421,917
CANADA		359,569
CANADA		413,444
CANADA		437,639
CANADA		448,541
CANADA		466,079
CANADA		456,852
CANADA		460,548
CANADA		460,547
CANADA		487,858
CANADA		455,086
CANADA		486,650
CANADA		47420
CANADA		539569
CANADA		161753
CANADA		161682
CHILE		530107
CHILE		
CHINA		1,318,187
CHINA		1,318,187
COSTA RICA		104,758
EP	*000389643	
GB		1,502,269
GB		2,010,872
GB		2,017,240
GB		2,102,120
GB		2224834
HK		04502/1998
ISR.		108,340
JAPAN		4,289,894
JAPAN		1,231,725
MEXICO		435,472
MEXICO		462,851
MEXICO		622934
NZ		267,751
VENEZUELA	10580/97	