

Form PTO-159-4
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

U.S. DEPARTMENT OF COMMERCE
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):

RC2 South, Inc.

- Individual(s) Association
 - General Partnership Limited Partnership
 - Corporation North Carolina
 - Other _____
- Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Harris Trust and Savings Bank,

Name: as administrative agent

Internal Address: _____

Street Address: 111 West Monroe Street

City: Chicago State: IL ZIP: 60603

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State Illinois
- 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 names(s) & address(s) attached? Yes No

3. Nature of conveyance:

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

Execution Date: September 15, 2004

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,826,922

1,826,923

Additional numbers attached? Yes No

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

Name: Robert J. Schneider

Internal Address: Chapman and Cutler LLP

Street Address: 111 West Monroe Street

City: Chicago State: IL ZIP: 60603

6. Total number of applications and trademarks involved:

2

7. Total fee (37 CFR 3.41) \$ 65.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

50-0305

(Attach duplicate copy of this page if paying by deposit account)
Attorney Docket No. 1592864

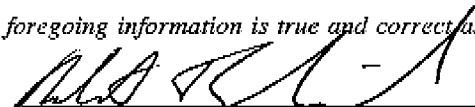
DO NOT USE THIS SPACE

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.

Robert J. Schneider

Name of Person Signing



Signature

September 30, 2004

Date

Total number of pages including cover sheet, attachments, and document: 6

MAIL DOCUMENTS TO BE RECORDED WITH REQUIRED COVER SHEET INFORMATION TO:
United States Patent and Trademark Office, Box Assignments
Washington, DC 20231

TRADEMARK COLLATERAL AGREEMENT

This 15th day of September, 2004, RC2 SOUTH, INC. (formerly known as Racing Champions South, Inc.), a North Carolina corporation ("*Debtor*"), with its principal place of business and mailing address at 9115 Harris Corners Pkwy, Suite 200, Charlotte, North Carolina 28269, 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 ("*HTSB*") with its mailing address at 111 West Monroe Street, Chicago, Illinois 60603, acting as administrative agent hereunder defined for the Secured Creditors defined in that certain Security Agreement hereunder defined (HTSB acting as such administrative agent and any successor or successors to HTSB acting in such capacity being hereinafter referred to as "*Agent*"), and grants to Agent a continuing security interest in, the following property:

(i) Each trademark, trademark registration and trademark application listed on Schedule A-1 hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each such trademark, trademark registration and trademark application; and

(ii) Each trademark 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 trademark 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 trademark or trademark registration listed on Schedule A-1 hereto or of any trademark licensed under a trademark license listed on Schedule A-2 or by reason of injury to the goodwill associated with any such trademark, trademark registration or trademark license, in each case together with the right to sue for and collect said damages;

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

Notwithstanding anything herein to the contrary, this Trademark Collateral Agreement shall not operate as a sale, transfer, conveyance or other assignment to Agent of any applications by Debtor for a Trademark based on an intent to use the same if and so long as such application is pending without a Statement of Use having been filed and accepted (such pending applications which are based on intent to use being hereinafter referred to collectively as "*Intent-To-Use Applications*"), but rather, if and so long as Debtor's Intent-To-Use Application is pending without a Statement of Use having been filed and accepted, then this Trademark Collateral Agreement shall operate only to create a security interest for collateral purposes in favor of Agent on such Intent-To-Use Application as collateral security for the Obligations. When a

Statement of Use is filed and accepted by the Trademark Office, then that application shall cease to be partly exempted from this Agreement.

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

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

RC2 SOUTH, INC. (formerly known as Racing Champions South, Inc.)

By Jody L. Taylor
Name: JODY L. TAYLOR
Title: CHIEF FINANCIAL OFFICER

Accepted and agreed to at Chicago, Illinois as of the day and year last above written.

HARRIS TRUST AND SAVINGS BANK, as administrative agent

By _____
Name: _____
Title: _____

Statement of Use is filed and accepted by the Trademark Office, then that application shall cease to be partly exempted from this Agreement.

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

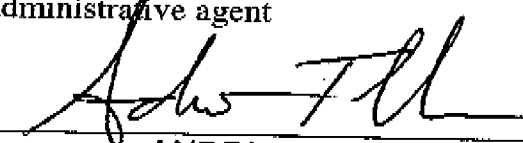
IN WITNESS WHEREOF, Debtor has caused this Trademark Collateral Agreement to be duly executed as of the date and year last above written.

RC2 SOUTH, INC. (formerly known as Racing Champions South, Inc.)

By _____
Name: _____
Title: _____

Accepted and agreed to at Chicago, Illinois as of the day and year last above written.

HARRIS TRUST AND SAVINGS BANK, as
administrative agent

By  _____
Name: **ANDREW T. CLAAR**
Title: **VICE PRESIDENT**

**SCHEDULE A-1
TO TRADEMARK COLLATERAL AGREEMENT**

**REGISTERED TRADEMARKS
AND TRADEMARK APPLICATIONS**

FEDERAL TRADEMARK REGISTRATIONS

TRADEMARK	REGISTRATION NUMBER
PRESS PASS (& design)	1,826,922
PRESS PASS (word only)	1,826,923

PENDING FEDERAL TRADEMARK APPLICATIONS

NONE

**SCHEDULE A-2
TO TRADEMARK COLLATERAL AGREEMENT**

TRADEMARK LICENSES

NONE