

08-14-2000



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TO: The Commissioner of Patents and Trademarks

Submission Type

New

Resubmission (Non-Recordation) Document ID#

Correction of PTO Error Reel # Frame #

Corrective Document Reel # Frame #

Conveyance Type

Assignment

Security Agreement

Merger

Change of Name

Other

License

Nunc Pro Tunc Assignment

Effective Date Month Day Year 6 27 2000

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name IRWIN TOY LIMITED

Execution Date Month Day Year 6 27 2000

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization Ontario, Canada

Receiving Party

Mark if additional names of conveying parties attached

Name Congress Financial Corporation (Canada), as agent for

DBA/AKA/TA the Canadian Lender and US Lender

Composed of

Address (line 1) 141 Adelaide Street West

Address (line 2) Suite 1508

Address (line 3) Toronto Ontario, Canada M5H3L9

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization Ontario, Canada

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 is attached. (Designation must be a separate document from Assignment)

FOR OFFICE USE ONLY

68 14/2000 101431298

01 FC:481
02 FC:482

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TRADEMARK

REEL: 002119 FRAME: 0683

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

212-661-9100

Name

Otterbourg, Steindler, Houston & Rosen, P.C.

Address (line 1)

Attn: Susan A. Joyce, Esq.

Address (line 2)

230 Park Avenue

Address (line 3)

New York, New York 10169

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)
SEE SCHEDULE A ANNEXED

<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"/>

Registration Number(s)
SEE SCHEDULE A ANNEXED

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

Number of Properties

Enter the total number of properties involved.

38

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

\$ 965.00

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.

PRESTON R. CAPPELLO

Aug. 11, 2000

Name of Person Signing

Signature

Date

Schedule A

United States Trademarks

<u>Trademark</u>	<u>Registration/Application No.</u>	<u>Registration/Application Date</u>
BABY READS TO ME	2,279,986	September 21, 1999
3D STACK ART	2,267,879	August 3, 1999
TOP ACTION	2,254,058	June 15, 1999
SEA BATTLE	2,253,993	June 15, 1999
ROLL-A-WORD	2,243,183	May 4, 1999
COVER-UPS	2,114,525	November 18, 1997
AIR-LOCKER	2,025,820	December 24, 1996
L'IL BABIES	1,969,040	April 23, 1996
PRO STOCK	1,926,574	November 7, 1995
TENDER TREASURES	1,897,059	May 30, 1995
THE ADJUSTABLES	1,849,450	August 9, 1994
THE ADJUSTABLES & Design	1,849,449	August 9, 1994
WINNWELL	1,811,332	December 14, 1993
SQUARE-1	1,810,109	December 7, 1993
WE REMBER WHEN WE WERE KIDS	1,804,952	November 16, 1993
IRWIN TOY	1,761,500	March 30, 1993
IRWIN	1,750,242	February 2, 1993
FRUSTRATION	1,579,189	January 23, 1990
OOPSIE DAISY	1,564,798	November 7, 1989
POP-A-DICE	1,409,583	September 16, 1986
NENUCO	75-897,682	January 18, 2000

<u>Trademark</u>	<u>Registration/Application No.</u>	<u>Registration/Application Date</u>
MIX 'N' FIX	75-878,814	December 22, 1999
L'IL SNIFFLES	75-858-846	November 24, 1999
E-MAZING PETS	75-849,955	November 16, 1999
E-MAZING KIDS	75-847,256	November 12, 1999
GIRL ZONE	75-811,251	September 29, 1999
BOY ZONE	75-811,250	September 29, 1999
E-MAZING BABY	75-803,637	September 17, 1999
GAMES TO GO	75-768,010	August 3, 1999
WINNWELL Design	75-632,289	January 29, 1999
FOLD-A-TEE	75-570,776	October 15, 1998
C.A.T. 2000	75-515,378	July 8, 1998
INLINE	75-456,054	March 24, 1998
HUSH-A-BYE BABY	75-424,545	January 28, 1998
HUSH LITTLE BABY	75-424,543	January 28, 1998
PINBALL AIR	75-410,820	December 24, 1997
FRIENDLY TIES	75-383,471	November 3, 1997
CREATE IT	75-210,386	December 9, 1996

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement dated June 27, 2000, is by Irwin Toy Limited, an Ontario corporation (the "**Debtor**") in favour of Congress Financial Corporation (Canada), an Ontario corporation, as the Agent for the Canadian Lender and the US Lender (in such capacity, the "**Agent**").

W I T N E S S E T H

WHEREAS, the Canadian Lender has entered or is about to enter into certain financing arrangements with the Debtor pursuant to which the Canadian Lender may make loans and provide other financial accommodations to the Debtor;

WHEREAS, the US Lender has entered or is about to enter into certain financing arrangements with Irwin Sports, Inc. (the "**US Borrower**") pursuant to which the US Lender may make loans and provide other financial accommodations to the US Borrower;

WHEREAS, pursuant to a guarantee dated as of the date hereof, given by Debtor in favour of Agent and US Lender, Debtor has guaranteed the payment and performance of all obligations of US Borrower to Agent and US Lender (the "**Guarantee**");

AND WHEREAS, in order to induce the Canadian Lender and the US Lender (collectively, the "**Lenders**") to enter into the Loan Agreement and the other Financing Agreements and to make the loans under the Loan Agreement, and as a condition precedent thereto, the Lenders require that the Debtor shall have executed and delivered this Agreement to secure the Obligations;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1- DEFINITIONS

All terms used herein which are defined in the PPSA or Article 1 or Article 9 of the UCC or the Loan Agreement shall have the meanings given therein unless otherwise defined in this Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires. All references to the Debtor, the Canadian Lender, the US Lender and the Agent pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "**hereof**", "**herein**", "**hereunder**", "**this Agreement**" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. References herein to any statute or any provision thereof include such statute or provision as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 8.3 hereof. "**Canadian Dollars**" and the sign "**\$**" mean lawful money of Canada. "**US Dollars**"

and the sign “**US\$**” mean lawful money of the United States of America. The word “**including**” when used in this Agreement shall mean “**including, without limitation**”. Any accounting term used herein unless otherwise defined in this Agreement shall have the meanings customarily given to such term in accordance with GAAP. For purposes of this Agreement, the following terms shall have the respective meanings given to them below:

1.1 “Business” shall mean all of the business carried on by the Debtor through each of its divisions now or in the future, and all goodwill associated with it.

1.2 “Business Day” shall mean any day (i) other than a Saturday, Sunday or other day on which commercial banks are authorized or required to close under the laws of the States of New York and Illinois, the Province of Ontario or the federal laws of Canada, and (ii) on which the US Lender’s Chicago office, the Canadian Lender’s Toronto office, the US Reference Bank’s main Charlotte office and the Canadian Reference Bank’s main Toronto office are open for the transaction of business.

1.3 “Canadian Lender” shall mean Congress Financial Corporation (Canada), an Ontario corporation, and its successors and assigns.

1.4 “Collateral” shall mean all of the Intellectual Property, the Records, the Replacements and the Proceeds, wherever located, and any item or part thereof.

1.5 “Confidential Information” shall mean the trade secrets, confidential information and confidential know-how in which the Debtor now or hereafter has an interest. Confidential Information includes, without limitation, the following aspects of the Business:

- (1) all unpatented inventions,
- (2) all customer and supplier lists for the Business,
- (3) all unpublished studies and data, prototypes, drawings, design and construction specifications and production, operating and quality control manuals used in the Business,
- (4) all marketing strategies and business plans,
- (5) all current or proposed business opportunities, and
- (6) all documents, materials and media embodying other items of Confidential Information,

but shall not include information which has become part of the public domain.

1.6 “Copyrights” shall mean all copyrights that the Debtor now or hereafter owns, including, without limitation, all copyrights in the works listed on Schedule “A”. Copyrights include:

- (1) all registrations and applications that have been or shall be made or filed in the Canadian Copyright Office, the United States Copyright Office or any similar

office in any country in the world and all records thereof and all reissues, extensions or renewals thereof, and

(2) all common law and other rights in the above.

1.7 “Designs” shall mean all industrial designs, design patents and other designs that the Debtor now or hereafter owns, including, without limitation, all industrial designs, design patents and other designs listed on Schedule “B”. Designs include:

(1) all registrations and applications that have been or shall be made or filed in the Canadian Industrial Design Office or any similar office in any country in the world and all records thereof and all reissues, extensions or renewals thereof, and

(2) all common law and other rights in the above.

1.8 “Encumbrance” shall mean any encumbrance of any kind whatever, choate or inchoate, and includes, without limitation, a security interest, mortgage, lien, hypothec, assignment, conditional assignment, pledge, hypothecation, charge and trust or deemed trust, whether arising through contract, statute or otherwise.

1.9 “Event of Default” shall have the meaning set forth in Section 6.1 hereof.

1.10 “Financing Agreements” shall mean, collectively, the Loan Agreement, this Agreement, the Assignments of Key Person Life Insurance, the Mortgage and all notes, guarantees, security agreements and other agreements, documents and instruments now or at any time hereafter executed and/or delivered by the Debtor or any Obligor in connection with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.11 “Governmental Authority” shall mean any nation or government, any state, province, or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

1.12 “Indemnified Parties” shall mean the Agent and the Lenders, their directors, officers, employees, counsel, agents, invitees, representatives, successors and assigns.

1.13 “Intellectual Property” shall mean all Confidential Information, Copyrights, Designs, License Agreements, Patents, Software and Trade-marks.

1.14 “License Agreements” shall mean the Licensor License Agreements and the Licensee License Agreements.

1.15 “Licensee License Agreements” shall mean all agreements pursuant to which the Debtor has obtained rights or an option to acquire rights to use any copyright, patent, trade-mark, industrial design, confidential information or other intellectual or industrial property owned by a Person including, without limitation, those agreements listed on Schedule “C”.

1.16 “Licensor License Agreements” shall mean all agreements pursuant to which the Debtor has granted to a Person rights or an option to acquire rights to use any copyright, patent, trademark, industrial design, confidential information or other intellectual or industrial property owned by the Debtor or licensed to the Debtor, including, without limitation, those agreements listed on Schedule “D”.

1.17 “Loan Agreement” shall mean the Loan Agreement, dated as of the date hereof, by and among the Debtor, the US Borrower, the Lenders and the Agent, as the same now exists and may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.18 “Material Adverse Effect” shall mean a material adverse effect on (a) the assets, liabilities, condition (financial or otherwise), business, operations or properties of the Debtor; (b) the legality, validity or enforceability of the Loan Agreement, this Agreement or any of the other Financing Agreements; (c) the legality, validity, enforceability, perfection or priority of the security interests, liens, charges or hypothecs of the Agent upon the Collateral; (d) the Collateral of the Debtor or the aggregate value of the Collateral of the Debtor; (e) the ability of the Debtor to repay the Obligations or of the Debtor or any Obligor to perform its obligations under the Loan Agreement, this Agreement or any of the other Financing Agreements; or (f) the ability of the Agent and any Lender to enforce the Obligations or realize upon the Collateral or otherwise with respect to the rights and remedies of the Agent or any Lender under the Loan Agreement, this Agreement or any of the other Financing Agreements.

1.19 “Material License Agreements” shall mean (a) the license agreements listed in Schedules C and D, (b) any other license agreement to which the Debtor is a party as to which the breach, non-performance, cancellation or failure to renew by any party thereto would have a Material Adverse Effect, (c) any license agreement with respect to Intellectual Property involving monetary liability of or to any Person in excess of the annual Canadian Dollar Amount of \$350,000 and (d) any license agreement involving material Intellectual Property.

1.20 “Obligations” shall mean any and all obligations, liabilities and indebtedness of every kind, nature and description owing by the Debtor and US Borrower to the Agent, the Lenders and/or their respective affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under the Loan Agreement, this Agreement, the Guarantee, the other Financing Agreements or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of this Agreement or after the commencement of any case or proceeding with respect to the Debtor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the *United States Bankruptcy Code* or any similar statute in any jurisdiction (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case or proceeding whether or not such amounts are allowable in whole or in part in such case or proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by the Agent or any Lender.

1.21 “Obligor” shall mean any other guarantor, endorser, acceptor, surety or other person liable on or with respect to the Obligations or who is the owner of any property which is security for the Obligations, other than the Debtor.

1.22 “Patents” shall mean all letters patent of invention and all applications for letters patent, renewals, reissues, extensions, divisions, continuations and continuations-in-part thereof which the Debtor now or hereafter owns, including, without limitation, all letters patent, applications, renewals, reissues, extensions, divisions, continuations and continuations-in-part thereof listed on Schedule “E”. Patents include:

- (1) all registrations and applications that have been or shall be made or filed in the Canadian Patent Office, the United States Patent and Trade-Mark Office or any similar office in any country in the world and all records thereof and all reissues, extensions or renewals thereof, and
- (2) all other rights in the above.

1.23 “Person” or **“person”** shall mean any individual, sole proprietorship, partnership, limited partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the *United States Internal Revenue Code of 1986*, as amended), limited liability company, limited liability partnership, corporation, business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

1.24 “PPSA” shall mean the *Personal Property Security Act (Ontario)* and any other applicable Canadian or provincial personal property security legislation as all such legislation now exists or may from time to time hereafter be amended, modified, recodified, supplemented or replaced, together with all rules, regulations and interpretations thereunder or related thereto. References to sections of the PPSA shall be construed to also refer to any successor sections.

1.25 “Proceeds” shall mean all fixtures, accounts, chattel paper, documents of title, instruments, money, securities, proceeds, earnings, income, royalties, rents, issues, profits and personal property in any form derived directly or indirectly from any dealing with or use of any item or part of the Collateral, or that indemnifies or compensates for such property destroyed, damaged, infringed upon or used without authorization and proceeds of Proceeds whether or not of the same type, class or kind as the original Proceeds, and any item or part thereof.

1.26 “Records” shall mean:

- (1) all copies and representations of the Intellectual Property in any form now known or in the future developed or discovered including, without limitation, those on paper, magnetic and optical media, and all working papers, notes, charts, drawings, materials and diagrams created in the process of developing the Intellectual Property,
- (2) all books, accounts, invoices, letters, papers, security certificates, documents and other records in any form evidencing or relating in any way to the Collateral,
- (3) all contracts, securities, instruments and other rights and benefits in respect of the Collateral, and
- (4) any item or part of any of the preceding.

1.27 “Replacements” shall mean all increases, additions and accessions to, and all substitutions for and replacements of, and all corrections, updates, enhancements, translations, modifications, adaptations and new versions of, any item or part of the Collateral, and any item or part thereof.

1.28 “Software” shall mean all computer programs and databases owned by the Debtor in whatever form and on whatever medium those programs or databases are expressed, fixed, embodied or stored from time to time, and the copyright therein including, without limitation, those listed on Schedule “F”. Software includes both the object code and source code versions of each such program and all corrections, updates, enhancements, translations, modifications, adaptations and new versions thereof together with both the media upon or in which such software and databases are expressed, fixed, embodied or stored (such as disks, diskettes, tapes and semiconductor chips) and all flow charts, manuals, instructions, documentation and other material relating thereto.

1.29 “Trade-marks” shall mean all trade-marks and service-marks that the Debtor now or hereafter owns, including, without limitation, those listed on Schedule “G”. Trade-marks include:

- (1) trade-marks and service-marks both registered and unregistered,
- (2) designs, logos, indicia, trade-names, corporate names, company names, business names, trade styles and other source or business identifiers,
- (3) names of fictitious characters,
- (4) all registrations and applications that have been or shall be made or filed in the Canadian Trade-marks Office or any similar office in any country in the world and all records thereof and all reissues, extensions, or renewals thereof, and
- (5) all goodwill associated with or symbolized by any of the above and all common law and other rights in the above.

1.30 “UCC” and “Uniform Commercial Code” shall mean the *Uniform Commercial Code* as in effect in the States of New York, Florida and Washington or any other applicable federal or state personal property security legislation as all such legislation now exists or may from time to time hereafter be amended, modified, recodified, supplemented or replaced, together with all rules, regulations and interpretations thereunder or related thereto. References to sections of the UCC shall be construed to also refer to any successor sections.

1.31 “US Lender” shall mean Congress Financial Corporation (Central), an Illinois corporation, and its successors and assigns.

SECTION 2 - GRANT OF SECURITY INTEREST

2.1 Grant of Security Interest. As general and continuing security for the due payment and performance of all Obligations, the Debtor assigns (with the exception of any trade-marks or service-marks) to Agent as security, and grants to the Agent a security interest (the “**Security**”

Interest”) in the Collateral and in the Debtor’s rights with respect to intellectual property not owned by it.

2.2 Last Day Excepted. Notwithstanding the foregoing, (a) the last day of the term of each licence granted to the Debtor pursuant to the Licensee License Agreements shall be excepted from the Security Interest and shall not form part of the Collateral and the Debtor shall stand possessed of that day in trust to assign and dispose of it as the Agent directs, and (b) to the extent that the granting of the Security Interest in any Collateral would require the consent of a third party which has not been obtained or would result in a forfeiture of such Collateral, the Security Interest shall not attach thereto until the earlier of (i) the time such consent is obtained or the time such risk of forfeiture no longer exists, as applicable, and (ii) the acceleration of the Obligations pursuant to Section 6.2(b), but Debtor shall hold the Security Interest in any such Collateral in trust for Agent.

SECTION 3 - REPRESENTATIONS AND WARRANTIES OF DEBTOR

3.1 Representations and Warranties of Debtor. The Debtor represents and warrants to and in favour of the Agent as follows:

- (1) The Debtor owns or has rights to use all Intellectual Property necessary to conduct the Business as presently conducted;
- (2) Schedule “A” contains a complete list of all registered Copyrights, Schedule “B” contains a complete list of all registered Designs, Schedule “E” contains a complete list of all Patents, Schedule “F” contains a complete list of all Software and Schedule “G” contains a complete list of all registered Trade-marks and applications for registration of Trade-marks.
- (3) Schedules “C” and “D” contain a complete list of all Material License Agreements. All Material License Agreements are in effect unamended. There have been no defaults under or breach of any of the Material License Agreements by the Debtor or to the knowledge of the Debtor by the other party(ies) to such Material License Agreements. The Debtor has delivered to the Agent a complete and correct copy of all Material License Agreements to which it is a parties. No royalty or other fee is required to be paid by the Debtor to any other Person in respect of the use of any Intellectual Property except as provided in the Material License Agreements delivered to the Agent.
- (4) Each registration of material Copyrights and Trade-marks, is subsisting and to the knowledge of the Debtor each such registration is valid and each such Copyright and Trade-mark is enforceable, and each registration of material Copyrights and Trade-marks which are subject to Licensee License Agreements is, to the best of the knowledge of the Debtor, valid, subsisting and enforceable.
- (5) The Debtor has disclosed in this Agreement all patent, trade-mark, trade secret, copyright, personality rights, privacy rights, publicity rights, semi-conductor chip rights or other Intellectual Property rights used by it in connection with the Business.

- (6) The Debtor has obtained from all appropriate Persons written unrestricted waivers of all moral rights with respect to the Copyrights.
- (7) No claim has been made that the use of any of the Intellectual Property does or may contravene any law or violate or infringe upon the rights of any Person, and the Debtor has no knowledge of any grounds upon which such a claim could be asserted.
- (8) Except for the rights granted pursuant to the Licensor License Agreements, the Debtor is the sole legal and beneficial owner of all rights in the Intellectual Property and holds and will hold its interest in the Collateral free and clear of all Encumbrances other than Encumbrances in favour of the Agent and the Encumbrances listed on Schedule "H".
- (9) The Debtor has used proper notice indicating ownership of and the right to use the Intellectual Property to the extent necessary to protect the Intellectual Property.
- (10) The Debtor has used consistent standards of high quality in its manufacture, sale, distribution, provision, advertising, packaging and labelling of products subject to one or more of the Patents and/or on which one or more of the Trade-marks or Designs appear.

3.2 Survival and Reliance. All representations and warranties of the Debtor made in this Agreement or in any certificate or other document delivered by or on behalf of the Debtor for the benefit of the Agent and the Lenders are material and shall continue without time limit. The Agent shall be deemed to have relied upon each such representation and warranty despite any investigation the Agent or any Lender may have made.

SECTION 4 - COVENANTS OF DEBTOR

4.1 Covenants of Debtor. So long as this Agreement remains in effect, the Debtor covenants and agrees with the Agent and the Lenders as follows:

- (1) ***Maintenance and Use of Collateral.*** The Debtor shall maintain and use the Collateral and shall conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the Proceeds.
- (2) ***Books of Account.*** The Debtor shall keep proper books of account in accordance with generally accepted accounting principles and shall furnish all information and statements relating to the Business and the Collateral that the Agent requests. The Debtor shall permit the Agent or its authorized agent at any time to have access to all premises occupied by the Debtor or any place where any Collateral may be found in order to inspect any Collateral and to examine the books of account and other financial records and reports of the Debtor including, but not limited to, the Records, and to have temporary custody of, make copies of and take extracts from such books, records and reports.

- (3) ***Defence of Collateral.*** The Debtor shall (a) defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; (b) diligently initiate and prosecute legal action against all infringers of the Debtor's rights in the Intellectual Property; (c) take all reasonable action to keep the Collateral free from all Encumbrances, except for the Encumbrance in favour of the Agent and licences which are compulsory under federal, state or provincial legislation and those hereafter approved in writing by the Agent, prior to their creation or assumption; (d) not sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of the Agent; and (e) shall not permit any Collateral to become an accession to any property other than other Collateral. Nothing in this Agreement shall in any way prevent the Agent from, at any time, contesting the validity, enforceability or priority of any Encumbrance.
- (4) ***Compliance with Requirements.*** The Debtor shall duly comply with all requirements of any Governmental Authority applicable to any Collateral or its use and with all covenants, terms or conditions upon which any Collateral or intellectual property used by the Debtor in the Business is held or used.
- (5) ***Further Assurances.*** The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, transfers, assignments, agreements and assurances as the Agent may reasonably require in order to give effect to the provisions of this Agreement.
- (6) ***Notification to Agent.*** The Debtor shall notify the Agent in writing:
- (a) forthwith of any significant loss of or damage to any Collateral,
 - (b) forthwith of the failure of any account debtor or licensee to pay or perform any obligations due to the Debtor in respect of the Collateral;
 - (c) forthwith of any proceedings before any court, administrative board or other tribunal which could materially adversely affect the Debtor or any Collateral and of any action or proceeding that may affect the Debtor's rights in the Collateral and of each allegation that the Intellectual Property infringes upon or violates the rights of any Person;
 - (d) forthwith of each instance of infringement by any Person of the rights of the Debtor in Intellectual Property which comes to the attention of the Debtor; and
 - (e) at least 30 Business Days prior to any change of name of the Debtor, any transfer or license of the Collateral or any part thereof or any change in the location of the Collateral or any part thereof.
- (7) ***Maintenance of Intellectual Property.*** The Debtor shall do everything commercially reasonable or desirable to preserve and maintain the Intellectual

Property and the intellectual property used by it in the Business. In particular, unless it receives the prior written consent of the Agent to the contrary, the Debtor shall do each of the following:

- (a) apply to register all existing and future Copyrights, Trade-marks, Designs and Patents and prosecute diligently all such applications, wherever and whenever it is commercially reasonable or appropriate in the reasonable judgment of the Debtor to do so;
 - (b) renew where possible all Copyright, Trade-mark, Design and Patent registrations;
 - (c) file all assignments of Copyright, Trade-marks, Designs and Patents necessary or desirable to maintain the Debtor's rights therein;
 - (d) pay all fees necessary to maintain the Intellectual Property;
 - (e) cause all Persons who have access to the Confidential Information to enter into non-disclosure agreements in a form acceptable to the Agent, acting reasonably;
 - (f) ensure that all License Agreements executed by the Debtor after the date hereof adequately protect the Debtor's rights in the Intellectual Property;
 - (g) perform all obligations of Debtor pursuant to License Agreements;
 - (h) commence and prosecute, at its own expense, such suits, proceedings or other actions for infringement, passing off, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Collateral;
 - (i) diligently, at its own expense, enforce its rights under any agreements which in the reasonable business judgment of Debtor, enhance the value of and/or protect the Collateral;
 - (j) promptly notify the Agent in writing when it begins to take any steps referred to in subsections 4.1(7)(h) or 4.1(7)(i) hereof and provide the Agent with such information with respect thereto as the Agent may reasonably request; and
 - (k) on request from the Agent, put all material source codes for the Software in trust with a trustee as provided in a Software Trust Agreement in a form acceptable to the Agent.
- (8) ***Agreements With Respect to Collateral.*** The Debtor shall give Agent immediate written notice of any Material License Agreement entered into by the Debtor after the date hereof, together with a true, correct and complete copy thereof and such other information with respect thereto as Agent may request.

- (9) **Notice of New Collateral.** If the Debtor hereafter acquires rights in any material Intellectual Property or becomes entitled to use any material Intellectual Property owned by any other Person, the Debtor shall give to the Agent thirty (30) days prior written notice thereof.
- (10) **Perfection re New Collateral.** The Debtor shall, and shall instruct its solicitor or agent to, take all necessary steps to perfect or assist the Agent or its counsel to perfect the Agent's security in material new Intellectual Property and, if requested by the Agent, to deliver to the Agent as soon as practically possible a legal opinion from counsel, in form and substance satisfactory to Agent, stating that the Agent's security is enforceable and duly perfected.
- (11) **Material Licensee License Agreements.** The Debtor shall deliver to the Agent with respect to each Licensee License Agreement listed in attached Schedule "C" and any other material Licensee License Agreement to which it is a party an agreement, in form and substance satisfactory to the Agent, providing for the Agent's use of the intellectual property that is the subject of such material Licensee License Agreement in connection with the Agent's exercise of its rights and remedies under the Financing Agreements, duly executed by the owner or licensor of that intellectual property.
- (12) **Action by Agent.** At any time after the occurrence and during the continuance of an Event of Default, the Agent shall have the right, but shall in no way be obligated, to bring suit in its own name, on its behalf and on behalf of the Lenders, to enforce all Intellectual Property of the Debtor and if the Agent shall commence any such suit, the Debtor shall do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such enforcement and the Debtor shall promptly, upon demand from the Agent, reimburse the Agent for and indemnify the Agent from all costs and expenses incurred by the Agent in the exercise of its rights under this Section 4.1(12).

4.2 Power of Attorney. Effective at any time after the occurrence and during the continuance of an Event of Default, the Debtor hereby appoints any officer or director of the Agent to be its attorney in accordance with the *Powers of Attorney Act* (Ontario) with full power of substitution and to do on the Debtor's behalf anything that the Debtor can lawfully do by an attorney to preserve and protect the Collateral and to carry out the Debtor's obligations under this Agreement. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest. The Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to the Agent ten (10) originals of a Special Power of Attorney in the form of Exhibit A annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to the Agent's exercise of the rights and remedies granted to the Agent hereunder.

SECTION 5 - INTELLECTUAL PROPERTY INDEMNITY

5.1 Indemnity. The Debtor will defend the Agent and the Lenders against any claim that the Intellectual Property infringes upon or violates any rights of a third party including, without limitation, patent, trade-mark, trade secret, copyright, moral rights, personality rights, privacy

rights, publicity rights or semi-conductor chip rights or other intellectual property or contractual rights (a “**Claim of Infringement**”). The Debtor shall fully indemnify and save harmless the Agent and the Lenders against all loss, liability and expense (other than as a result of the gross negligence or wilful negligence of the Agent, its employees, or agents as determined pursuant to a final non-appealable order of a court of competent jurisdiction)_arising out of:

- (1) any misrepresentation with respect to the Intellectual Property made by the Debtor; or
- (2) any Claim of Infringement.

Such indemnity shall include, without limitation, reasonable expenses of investigation and legal fees, damages, costs and expenses in connection with any action against the Agent or any Lender. The Agent shall give the Debtor prompt written notice of any Claim of Infringement for which indemnity is sought under this Section 5.1.

SECTION 6 - EVENTS OF DEFAULT AND REMEDIES

6.1 Events of Default. The occurrence or existence of any Event of Default under the Loan Agreement is referred to herein individually as an “Event of Default”, and collectively as “Events of Default”.

6.2 Remedies.

- (1) **Rights and Remedies.** At any time an Event of Default exists or has occurred and is continuing, the Agent shall have all rights and remedies provided in this Agreement, the other Financing Agreements, the PPSA, the UCC and other applicable law, all of which rights and remedies may be exercised without notice to or consent by the Debtor or any Obligor, except as such notice or consent is expressly provided for hereunder or required by applicable law. If notice to Debtor of intended disposition of Collateral is required by law, the giving of fifteen (15) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice thereof. All rights, remedies and powers granted to the Agent hereunder, under any of the other Financing Agreements, the PPSA, the UCC or other applicable law, are cumulative, not exclusive and enforceable, in the Agent’s or any Lender’s discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by the Debtor of this Agreement or any of the other Financing Agreements. The Agent or any Lender may, at any time or times, proceed directly against the Debtor or any Obligor to collect the Obligations without prior recourse to the Collateral.
- (2) **Acceleration.** Without limiting the foregoing, at any time an Event of Default exists or has occurred and is continuing, the Agent may, in its discretion and without limitation, accelerate the payment of all Obligations and demand immediate payment thereof to the Agent (provided, that, upon the occurrence of any Event of Default described in Sections 10.1(7) and 10.1(8) of the Loan

Agreement, all Obligations shall automatically become immediately due and payable), with or without judicial process or the aid or assistance of others, enter upon any premises on or in which any of the Collateral may be located and take possession of the Collateral or complete processing, manufacturing and repair of all or any portion of the Collateral and/or carry on the Business of the Debtor, require the Debtor, at the Debtor's expense, to assemble and make available to the Agent any part or all of the Collateral at any place and time designated by the Agent, collect, foreclose, receive, appropriate, setoff and realize upon any and all Collateral, remove any or all of the Collateral from any premises on or in which the same may be located for the purpose of effecting the sale, foreclosure or other disposition thereof or for any other purpose, sell, lease, transfer, assign, deliver or otherwise dispose of any and all Collateral (including, without limitation, entering into contracts with respect thereto, public or private sales at any exchange, broker's board, at any office of the Agent or any Lender or elsewhere) at such prices or terms as the Agent may deem reasonable, for cash, upon credit or for future delivery, with the Agent or any Lender having the right to purchase the whole or any part of the Collateral at any such public sale, all of the foregoing being free from any right or equity of redemption of the Debtor, which right or equity of redemption is hereby expressly waived and released by the Debtor subject to applicable law, (vii) borrow money and use the Collateral directly or indirectly in carrying on the Debtor's business or as security for loans or advances for any such purposes, and/or (viii) grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges, and otherwise deal with the Debtor, the Debtors of the Debtor, sureties and others as the Agent may see fit without prejudice to the liability of the Debtor or the Agent's or any Lender's right to hold and realize the security interest created under this Agreement. If any of the Collateral is sold or leased by the Agent or any Lender upon credit terms or for future delivery, the Obligations shall not be reduced as a result thereof until payment therefor is finally collected by the Agent or such Lender. If notice of disposition of Collateral is required by law, five (5) days prior notice by the Agent or any Lender to the Debtor designating the time and place of any public sale or the time after which any private sale or other intended disposition of Collateral is to be made, shall be deemed to be reasonable notice thereof and the Debtor waives any other notice. In the event the Agent or any Lender institutes an action to recover any Collateral or seeks recovery of any Collateral by way of prejudgement remedy, the Debtor waives the posting of any bond which might otherwise be required.

- (3) **Application of Proceeds.** The Lenders may apply the cash proceeds of Collateral actually received by the Agent or any Lender from any sale, lease, foreclosure or other disposition of the Collateral to payment of the Obligations, in whole or in part and in such order as the Agent or such Lender may elect, whether or not then due. The Debtor shall remain liable to the Agent and the Lenders for the payment of any deficiency with interest at the highest rate provided for in the Loan Agreement and all costs and expenses of collection or enforcement, including legal costs and expenses.

- (4) **Appointment of Receiver.** The Agent or any Lender may appoint, remove and reappoint any person or persons, including an employee or agent of the Agent to be a receiver (the “**Receiver**”) which term shall include a receiver and manager of, or agent for, all or any part of the Collateral. Any such Receiver shall, as far as concerns responsibility for his acts, be deemed to be the agent of the Debtor and not of the Agent or any Lender, and neither Agent nor any Lender shall in any way be responsible for any misconduct, negligence or non-feasance of such Receiver, its employees or agents except gross negligence or wilful negligence of such Receiver, its employees, or agents as determined pursuant to a final non-appealable order of a court of competent jurisdiction. Except as otherwise directed by the Agent or any Lender, all money received by such Receiver shall be received in trust for and paid to the Agent on behalf of the Lenders. Such Receiver shall have all of the powers and rights of the Agent described in this Section 6. The Agent may, either directly or through its agents or nominees, exercise any or all powers and rights of a Receiver.
- (5) **Costs.** The Debtor shall pay all costs, charges and expenses incurred by the Agent, any Lender or any Receiver or any nominee or agent of the Agent, any Lender or any Receiver, whether directly or for services rendered (including, without limitation, solicitor’s costs on a solicitor and his own client basis, auditor’s costs, other legal expenses and Receiver remuneration) in enforcing this Agreement or any other Financing Agreement and in enforcing or collecting Obligations and all such expenses together with any money owing as a result of any borrowing permitted hereby shall be a charge on the proceeds of realization and shall be secured hereby.
- (6) **License/Assignment of Intellectual Property.** For the purpose of enabling the Agent or any Receiver to exercise the rights and remedies under Section 6 (including, without limiting the terms of Section 6, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of Collateral) at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, the Debtor hereby grants to the Agent, for the benefit of the Agent and the Lenders, but subject to any then existing Licensor License Agreements, an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, license or sublicense any Intellectual Property now owned or hereafter acquired by the Debtor, and wherever the same may be located, and including in such licence access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. In addition, upon receiving written demand from the Agent after a default has occurred, the Debtor shall assign the Intellectual Property to whomever the Agent directs, including to the Agent.

SECTION 7 - DEBTOR REMAINS LIABLE

7.1 Debtor Remains Liable. Notwithstanding any other provision in this Agreement, the Debtor shall remain liable under all License Agreements. The Debtor shall perform all of its

duties and obligations thereunder just as if this Agreement had not been executed. The Debtor shall not be released from any of its duties or obligations under the License Agreements by the exercise of any rights by the Agent or any the Lenders. The Agent and the Lenders shall not have any obligation or liability under the License Agreements by reason of this Agreement, nor shall the Agent or the Lenders be obliged to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. The rights and powers conferred on the Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers.

**SECTION 8 - JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS;
GOVERNING LAW**

8.1 Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

- (1) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, except to the extent that the law of another jurisdiction is specified in a Financing Agreement to be the governing law for that Financing Agreement.
- (2) The Debtor hereby irrevocably consents and submits to the non-exclusive jurisdiction of the Ontario Supreme Court of Justice, the Circuit Court of Cook County, Illinois and the United States District Court for the Northern District of Illinois and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement, any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of the Debtor, the Lenders and/or the Agent in respect of this Agreement, any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising and whether in contract, tort, equity or otherwise, and agrees that any dispute with respect to such matters shall be heard only in the courts described above (except that the Lenders and the Agent shall have the right to bring any action or proceeding against the Debtor or its property in the courts of any other jurisdiction which the Lenders and the Agent deem necessary or appropriate in order to realize on the Collateral and/or any collateral at any time granted by the US Borrower or the Debtor to any Lender or the Agent or to otherwise enforce their rights against the Debtor or its property).
- (3) The Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) courier service directed to its address set forth on the signature pages hereof and that service so made shall be deemed completed upon the earlier of Debtor's actual receipt thereof or two (2) Business Days after the deposit with such courier service, or, at the Agent's option, by service upon the Debtor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, to the extent not contrary to applicable law, the Debtor

shall appear in answer to such process, failing which the Debtor shall be deemed in default and judgment may be entered by the Lenders and/or the Agent against the Debtor for the amount of the claim and other relief requested.

- (4) THE DEBTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE DEBTOR, THE AGENT AND THE LENDERS IN RESPECT OF THIS AGREEMENT, ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. THE DEBTOR HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE DEBTOR, THE AGENT, THE CANADIAN LENDER OR THE US LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR, AGENT AND LENDERS TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.
- (5) Agent and Lenders shall not have any liability to the Debtor (whether in tort, contract, equity or otherwise) for losses suffered by the Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on the Lenders and the Agent that the losses were the result of acts or omissions of the Lenders and/or the Agent constituting gross negligence or wilful misconduct.
- (6) Subject to applicable law, the Debtor hereby expressly waives all rights of notice and hearing of any kind prior to the exercise of rights by the Lenders or the Agent from and after the occurrence of an Event of Default to repossess the Collateral with judicial process or to replevy, attach or levy upon the Collateral or other security for the Obligations. Subject to applicable law, the Debtor waives the posting of any bond otherwise required of the Lenders or the Agent in connection with any judicial process or proceeding to obtain possession of, replevy, attach or levy upon the Collateral or other security for the Obligations, to enforce any judgment or other court order entered in favour of the Lenders or the Agent, or to enforce by specific performance, temporary restraining order, preliminary or permanent injunction, the Agreement or any other Financing Agreement.

8.2 Waiver of Notices. The Debtor hereby expressly waives presentment, protest and notice of protest and notice of dishonour with respect to any and all instruments and commercial paper, included in or evidencing any of the Obligations or the Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Obligations, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on the

Debtor which the Agent may elect to give shall entitle the Debtor to any other or further notice or demand in the same, similar or other circumstances.

8.3 Amendments and Waivers. Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of the Agent. The Agent and the Lenders shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of the Agent. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Agent or any Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Agent or any Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

8.4 Waiver of Counterclaims. The Debtor waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.

8.5 Indemnification. The Debtor shall indemnify and hold the Indemnified Parties harmless from and against any and all losses, claims, damages, liabilities, costs or expenses imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation, preparation, execution, delivery, enforcement, performance or administration of this Agreement, any other Financing Agreements, or any undertaking or proceeding related to any of the transactions contemplated hereby or any act, omission, event or transaction related or attendant thereto, including, without limitation, amounts paid in settlement, court costs, and the fees and expenses of counsel, except as arising out of the gross negligence or wilful misconduct of such Indemnified Party as determined pursuant to a final non-appealable order of a court of competent jurisdiction. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, the Debtor shall pay the maximum portion which it is permitted to pay under applicable law to the Lenders and the Agent in satisfaction of indemnified matters under this Section. The foregoing indemnity shall survive the payment of the Obligations and the termination or non-renewal of this Agreement and any of the other Financing Agreements. All of the foregoing costs and expenses shall be part of the Obligations and secured by the Collateral.

SECTION 9 - MISCELLANEOUS

9.1 Notices. All notices, requests and demands hereunder shall be in writing and (a) made to the Agent at 141 Adelaide Street West, Suite 1500, Toronto, Ontario, M5H 3L9, Fax (416) 364-6068 (with a copy to the US Lender at 150 South Wacker Drive, Suite 2200, Chicago, Illinois, 60606-4401, Fax: (312) 332-0424) and to the Debtor at its chief executive office set forth below, or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with

instructions to deliver the next Business Day, one (1) Business Day after sending; and if by registered mail, return receipt requested, five (5) days after mailing.

9.2 Performance by Agent. Upon the Debtor's failure to perform any of its duties hereunder, the Agent may, but shall not be obligated to, perform any or all of such duties, and the Debtor shall pay to the Agent, forthwith upon written demand therefor, an amount equal to the expense incurred by the Agent in so doing plus interest thereon from the date such expense is incurred until it is paid at an annual rate of interest equal to the Default Rate.

9.3 Extensions of Time. The Agent may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, any other Person, sureties and others and with Collateral and other security as the Agent may see fit without prejudice to the liability of the Debtor or the Agent's right to hold and realize the Security Interest. Furthermore, upon the occurrence of and in the event of continuance of an Event of Default, the Agent may demand, collect and sue on Collateral in either the Debtor's or the Agent's name, at the Agent's option, and may endorse the Debtor's name on any and all cheques, commercial paper and any other instruments pertaining to or constituting Collateral.

9.4 No Substitution. This Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Agent and is, and is intended to be, a continuing Agreement and shall remain in full force and effect until all Obligations contracted for or created, and any extensions or renewals thereof together with interest accruing thereon and fees due in connection therewith, shall be paid, satisfied and terminated in full.

9.5 No Obligations. Nothing herein contained shall in any way obligate the Agent to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Obligations.

9.6 Partial Invalidity. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

9.7 Judgment Currency. To the extent permitted by applicable law, the obligations of the Debtor in respect of any amount due under this Agreement shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the currency in which it is due (the "**Agreed Currency**") that a Lender may, in accordance with normal banking procedures, purchase with the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which such Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Debtor shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Debtor not discharged by that payment shall, to the extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided in this Section, continue in full force and effect.

9.8 Successors. This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon and inure to the benefit of and be enforceable by the Agent, the Lenders, the Debtor and their respective successors and assigns, except that the Debtor may not assign its rights under this Agreement, the other Financing Agreements and any other document referred to herein or therein without the prior written consent of Agent.

9.9 Entire Agreement. This Agreement, the other Financing Agreements, any supplements hereto or thereto, and any instruments or documents delivered or to be delivered in connection herewith or therewith represents the entire agreement and understanding concerning the subject matter hereof and thereof between the parties hereto, and supersede all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

9.10 Amalgamation. The Debtor acknowledges and agrees that, notwithstanding any provision of this Agreement, in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the security interest granted hereby:

- (1) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
- (2) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Agent at the time of amalgamation and any "Obligations" of the amalgamated company to the Agent thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

9.11 Headings. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

9.12 Attachment. The Security Interest created hereby is intended to attach when this Agreement is executed by the Debtor and delivered to the Agent.

9.13 Acknowledgement. The Debtor acknowledges receipt of a copy of this Agreement. the Debtor further acknowledges that the Agent may register copies of this Agreement and in such event it will be available to the public for inspection. the Debtor shall co-operate and assist the Agent, as requested by the Agent, with respect to any registrations of or relating to this Agreement which the Agent deems appropriate.

9.14 Further Steps. The Debtor hereby authorizes the Agent to file such financing statements and other documents and do such acts, matters and things (including completing and adding

schedules hereto identifying Collateral) as the Agent may deem appropriate to perfect and continue its security interest in and to protect and preserve Collateral and, following the occurrence of and during the continuance of a default, to realize upon such security interest.


9.15 Registration of Agreement. The Debtor hereby acknowledges that the Agent may register a copy of this Agreement and in such event it will be available to the public for inspection. The Debtor shall cooperate with and assist the Agent, as requested by the Agent, with respect to any registrations of or relating to this Agreement which the Agent deems appropriate.

9.16 Facsimile. This Agreement may be executed and delivered by facsimile transmission and the Lenders and the Agent may rely on all such facsimile signatures as though such facsimile signatures were original signatures.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Debtor has caused these presents to be duly executed as of the day and year first above written.

IRWIN TOY LIMITED

By: 
Name: V.A. Sweeney
Title: V.A. Sweeney

CHIEF EXECUTIVE OFFICE:
43 Hanna Avenue
Toronto, Ontario
M6K 1X6
Fax: (416) 533-3257

PROVINCE OF ONTARIO)
) ss.:
MUNICIPALITY OF TORONTO)

On this 27th day of June, 2000 before me personally appeared Donald R. Levesique, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Irwin Toy Limited, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

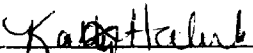

Notary Public

Exhibit A

(See Attached)

SPECIAL POWER OF ATTORNEY

PROVINCE OF ONTARIO)
) ss.:
MUNICIPALITY OF TORONTO)

KNOW ALL PERSONS BY THESE PRESENTS, that IRWIN TOY LIMITED (“**Debtor**”), having an office at 43 Hanna Avenue, Toronto, Ontario, M6K 1X6, hereby appoints and constitutes CONGRESS FINANCIAL CORPORATION (CANADA), as agent for itself and for Congress Financial Corporation (Central) (in such capacity and together with its successors and assigns, “**Agent**”), and each officer thereof, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:


1. Execution and delivery of any and all agreements, documents, instrument of assignment, or other papers which Agent, in its discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of Debtor in and to any trademarks, copyrights and patents and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Agent, in its discretion, deems necessary or advisable to further the purposes described in Subparagraph 1 hereof.

This Power of Attorney is made pursuant to an intellectual property security agreement, dated of even date herewith, between Debtor and Agent (the “**Intellectual Property Security Agreement**”) and is subject to the terms and provisions thereof, and shall be effective only after the occurrence of and during the continuance of an Event of Default (as therein defined). This Power of Attorney, being coupled with an interest, is irrevocable until all “Obligations,” as such term is defined in the Intellectual Property Security Agreement, are paid in full and the Intellectual Property Security Agreement is terminated in writing by Agent.

Dated: June 27, 2000

IRWIN TOY LIMITED

By: 
Name: *D. P. Levesque*
Title: *V.P. Treasurer*

On this 27th day of June, 2000 before me personally appeared

Donald R. Levesque, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Irwin Toy Limited, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Kathy Halvud
Notary Public

Schedule "A"

Copyrights

(Indicate if Canadian or U.S.)

NIL

Schedule "B"

Designs

(Indicate if Canadian or U.S.)

NIL

Schedule "C"

Material Licensee License Agreements

**Irwin Toy Limited
License Agreements**

<u>TabNo</u>	<u>Licensor</u>	<u>Licensee</u>	<u>SubLicensee</u>	<u>Product</u>	<u>AgriDate</u>
15	Funimation Productions Incorporated	Irwin Toy Limited		The trademark and other intellectual property rights associated with the first 52 episodes of a show entitled Dragon Ball Z and additional episodes of Dragon Ball Z if and when broadcast on U.S.A. television.	02/12/1998
69	Canstar Sports Group Inc.	Irwin Toy Limited	Charan Industries Inc. (Charan)	As a condition to the completion of the purchase and sale contemplated under the Asset Purchase Agreement dated January 30, 1990 among Charan, Cooper Canada Limited and Cooper International Inc. as Vendor and Licensee, as Purchaser, Charan agreed that Licensee would be granted an exclusive license of the trade-marks with respect to the products set forth in Schedule B. Schedule B lists such products as recreational products and accessories (inflated goods, soccer accessories,	02/09/90
82	Warner Bros. Consumer Products	Irwin Toy Limited		Licensed products include Gigantic Games and Yo-Yo Tops. Licensed property includes copyrights in respect of the following Looney Tunes characters: Bugs Bunny, Daffy Duck, Elmer Fudd, Foghorn Leghorn, Gossamer, Granny, Hector, Henery Huck, K-9, Lola Bunny, Mark Antony, Marvin the Martian, Michigan J. Frog, Penelope, Pepe le Pew, Petunia Pig, Porky Pig, Road Runner, She Devil, Speedy Gonzalez, Sylvester, Sylvester Jr., Tasmanian Devil, Tweety and Wile E. Coyote which constitute "Looney	08/13/99
149	DIC Entertainment	Irwin Toy Limited		Rights in and the names, titles, characters, representations, symbols, designs, copyrights, trademarks, art work, derived from the animated television program Sailor-Moon.	01/27/1995

TRADEMARK

REEL: 002119 FRAME: 0714

**Irwin Toy Limited
License Agreements**

<u>TabNo</u>	<u>Licensor</u>	<u>Licensee</u>	<u>SubLicensee</u>	<u>Product</u>	<u>AgrDate</u>
179		Inwin Toy Limited	Hasbro International, Inc.	TARZAN JENGA, JENGA JACKS, and TRUTH or DARE JENGA	10/01/99
200	Mass Market Ideas L.L.C. and Lernell Company L.L.C.	Inwin Toy Limited		KATY KATCHOO	09/27/99
201	Mass Market Ideas L.L.C. and Lernell Company L.L.C.	Inwin Sports Incorporated		Katy Katchoo	09/27/1999
228	Pokonobe Associates	Inwin Toy Limited		Jenga and variations (parlour games)	11/01/95

**Irwin Toy Limited
License Agreements**

<u>TabNo</u>	<u>Licensor</u>	<u>Licensee</u>	<u>SubLicensee</u>	<u>Product</u>	<u>AgriDate</u>
201	Mass Market Ideas L.L.C. and Lernell Company L.L.C.	Irwin Sports Incorporated		Katy Katchoo	09/27/1999

Schedule "D"

Material Licensor License Agreements

NIL

Schedule "E"

Patents

Canadian Patents

Title	Patent No.	Issuance Date

Canadian Patent Applications

Title	Application No.	Filing Date

US Patents

Title	Application No.	Filing Date

US Patent Applications

Title	Application No.	Filing Date

Schedule "E"

Patents

Canadian Patents

Title	Patent No.	Issuance Date
see attached schedule		

Canadian Patent Applications

Title	Application No.	Filing Date

US Patents

Title	Application No.	Filing Date

US Patent Applications

Title	Application No.	Filing Date

PATENT SEARCH RESULTS – CANADA

SUMMARY

Irwin Toy Limited

Title of Invention	Patent/Application No.	Filing/Issue Date
Mechanism for dolls allowing sucking movement	2,119,282	August 27, 1996
Equipment bag having a removable inner mesh sack	2,110,661	December 3, 1993
Extensible shin guard	2,087,702	January 20, 1993
Mechanism for dolls allowing sucking movement	2,023,931	August 2, 1994
Construction piece for toy vehicle track	1,300,882	May 19, 1992
All-fours walking doll	1,280,601	February 26, 1991
Soft propellable toy	1,261,154	September 26, 1989

Irwin Toy

Nil

The Irwin Group

Nil

Irwin Electronics

Nil

Irwin Leisure

Nil

Irwin Specialties

Nil

Irwin Sports

Nil

Leisure Dynamics of Canada Ltd. (owner is shown as Leisure Dynamics)

Title of Invention	Patent/Application No.	Filing/Issue Date
Skill developing educational game apparatus	1,056,152	June 12, 1979

LDI Canada Ltd.

Nil

Eldon Industries of Canada Limited

Nil

Astral Electric Company Limited

Nil

Irwin Specialties Limited

Nil

Can-Am Toy Limited

Nil

145 Front Street East Limited

Nil

Merchants Trading Limited

Nil

Irwin Sports Inc.

Nil

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**PATENT SEARCH RESULTS – UNITED STATES
SUMMARY**

Irwin Toy Limited

Title of Invention	Patent/Application No.	Filing/Issue Date
Method of playing a stacking block game and game blocks therefor	6,022,026	February 8, 2000
Hockey glove	D387,505	December 9, 1997
Extensible shin guard	5,477,559	December 26, 1995
Equipment bag having a removable inner mesh sack	5,413,199	May 9, 1995
Mechanism for the crying and sucking motion of dolls	5,092,811	March 3, 1992
Head mask tabletop action game	5,067,723	November 26, 1991
All-fours walking doll	5,030,161	July 9, 1991
Construction piece for toy vehicle track	4,941,610	July 17, 1990
Outdoor game dart	3,982,762	September 28, 1976

Irwin Toy

Nil

The Irwin Group

Nil

Irwin Electronics

Nil

Irwin Leisure

Nil

Irwin Specialties

Nil

Irwin Sports

Nil

Leisure Dynamics of Canada Ltd.

Nil

LDI Canada Ltd.

Nil

Eldon Industries of Canada Limited

Nil

Astral Electric Company Limited

Nil

Irwin Specialties Limited

Nil

Can-Am Toy Limited

Nil

145 Front Street East Limited

Nil

Merchants Trading Limited

Nil

Irwin Sports Inc.

Nil

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Schedule "F"

Software

NIL

Schedule "G"

Trade-marks

Canadian Trade-mark Registrations

Trade-mark	Application No.	Registration No.	Renewal Date	Registration Date
see attached schedule				

Canadian Trade-mark Applications

Trade-mark	Application No.	Filing Date

US Trade-mark Registrations

Trade-mark	Application No.	Filing Date

US Trade-mark Applications

Trade-mark	Application No.	Filing Date

TRADE-MARK SEARCH RESULTS – CANADA

Irwin Toy Limited – Summary

Registrations

Trade-mark	Application No.	Registration No.	Registration Date
22	0187332	UCA 021554	June 28, 1945
33	0187336	UCA 021543	June 28, 1945
44	0187333	UCA 021555	June 28, 1945
55	0187337	UCA 021545	June 28, 1945
66	0187334	UCA 021542	June 28, 1945
99	0187330	UCA 021541	June 28, 1945
CHEERIO CHAMPION	0187595	UCA 023430	July 28, 1945
JUNIOR	0187597	UCA 022303	July 28, 1945
PRACTICE	0191434	UCA 024662	June 22, 1946
PRO	0187594	UCA 022066	July 28, 1945
TOURNAMENT	0187596	UCA 022096	July 28, 1945
YO-YO	0190912	UCA 024465	May 11, 1946
4 IN 1 POWER TOOLSHOP	755, 422	TMA 446, 649	August 25, 1995
ACTION PADDLES	863, 848	TMA 516, 959	September 24, 1999
AIR FOX	725, 441	TMA 427, 047	May 6, 1994
AIR-LOCKER	732, 886	TMA 432, 841	September 2, 1994
AIRCELL PROTECTION SYSTEM	644, 724	TMA 380, 114	Feb. 15, 1991
AKI	501, 959	TMA 297, 706	November 30, 1984
AKI-ELITE	544, 538	TMA 320, 386	November 7, 1986
ANNIE MOTION	787, 957	TMA 465, 417	October 25, 1996
BABY FIRST STEPS	665, 604	TMA 391, 360	December 6, 1991

Trade-mark	Application No.	Registration No.	Registration Date
BABY LOVING FEELINGS	738, 722	TMA 436, 403	November 25, 1994
BABY MINE	827, 750	TMA 520, 308	December 6, 1999
BABY SHIVERS	614, 869	TMA 363, 098	November 10, 1989
BABY SOUNDS SO SWEET	669, 790	TMA 392, 816	January 10, 1992
BABY WALKS WITH ME	675,699	TMA 407, 964	February 12, 1993
BABY YES'N NO	719, 996	TMA 429, 020	June 17, 1994
BABY'S ALL BETTER	690, 421	TMA 419, 468	November 12, 1993
BABY'S LITTLE WORLD	692, 271	TMA 418, 528	October 22, 1993
BACKFIRE CHALLENGE	702, 418	TMA 410, 950	April 9, 1993
BAT Design	765,988	TMA 467, 082	December 4, 1996
BATTLE CHASE	754, 804	TMA 447, 735	September 15, 1995
BO-LO	175, 790	UCA 012848	June 8, 1939
BOGEYMAN	573, 456	TMA 339, 361	April 22, 1988
BOOGIEMAN	582, 371	TMA 342, 266	June 30, 1988
BOY & Design	632, 421	TMA 408, 251	February 19, 1993
CALICO CRITTERS OF CLOVERLEAF CORNERS	712, 290	TMA 427, 843	May 27, 1994
CALIFORNIA YO-YO	622, 169	TMA 426, 802	May 6, 1994
CANADIAN RACING SERIES	736,181	TMA 451, 469	December 8, 1995
CANADIANA & Design	472, 379	TMA 268, 339	April 23, 1982
CLEVER CUTIE	789, 184	TMA 475, 368	April 29, 1997
COCHONS FOUS	593, 477	TMA 358, 991	July 28, 1989
COOKIE KID	686, 490	TMA 405, 906	December 4, 1992
COUNTRY KID	711, 773	TMA 427, 518	May 20, 1994
COVER-UPS	789, 183	TMA 465, 444	October 25, 1996
CRASH'N SMASH'N HOT RODS	757, 493	TMA 446, 673	August 25, 1995

Trade-mark	Application No.	Registration No.	Registration Date
CREATE IT	828, 876	TMA 520, 157	December 1, 1999
CREATIVE IMAGINEERS	634, 421	TMA 379, 623	February 8, 1991
CREATIVE IMAGINEERS CLUB	634, 451	TMA 376, 191	November 23, 1990
CREATIVE IMPRESSIONS	703, 684	TMA 432, 997	September 9, 1994
CROCODILE FALLS	666, 693	TMA 411, 350	April 23, 1993
CURVE BALL Design	597, 269	TMA 356, 537	June 2, 1989
DADDY LONG LEGS	614, 871	TMA 365, 490	February 16, 1990
DARLING DREAMER	645, 270	TMA 376, 944	December 7, 1990
DING-BAT	382, 167	TMA 222, 043	July 22, 1977
DISCONARY	715, 718	TMA 420, 796	December 10, 1993
DOODLE PALS	738, 839	TMA 434, 548	October 14, 1994
DRAGON BUSTERS	688, 750	TMA 408, 072	February 12, 1993
FIRST TO V	830, 337	TMA 520, 535	December 14, 1999
FIVE TEARDROP HOCKEY GLOVE Design	647, 993	TMA 419, 964	November 26, 1993
FLIPOVER	512, 502	TMA 304, 762	July 12, 1985
FORMULA 1 TEAM CHALLENGE	702, 407	TMA 410, 949	April 9, 1993
FORMULA 1 TEAM CHAMPIONSHIP GRAND PRIX RACING	702, 405	TMA 420, 623	December 10, 1993
FRUSTRATION	497, 050	TMA 290, 840	May 11, 1984
GIRDER AND PANEL	715, 545	TMA 428, 221	June 3, 1994
GRABBER	521, 527	TMA 308, 334	November 15, 1985
GREATEST HAIR AROUND	761, 359	TMA 446, 745	August 25, 1995
GRID-RIDDER	661, 938	TMA 395, 558	March 13, 1992
HUSH LITTLE BABY	649, 700	TMA 391, 195	December 6, 1991
HUSH-A-BYE BABY	618, 957	TMA 364, 596	January 19, 1990
ILLUM-A-DOODLE	620, 989	TMA 373, 004	September 7, 1990

Trade-mark	Application No.	Registration No.	Registration Date
ILLUM-A-DRAW	636, 334	TMA 372, 517	August 24, 1990
IMAGINEERS HELPING KIDS CREATE	655, 296	TMA 383, 062	April 12, 1991
INLINE Design	823, 352	TMA 523, 576	February 23, 2000
IT'S SLIME TIME	665, 606	TMA 402, 573	September 11, 1992
KICKTOP	637, 323	TMA 372, 529	August 24, 1990
KISSER	574, 786	TMA 335, 672	December 24, 1987
L'IL BABIES	662, 675	TMA 396, 632	April 3, 1992
L'IL MAKIN' FACES	801, 918	TMA 509, 285	March 12, 1999
LAWN THROW	823, 020	TMA 517, 024	September 24, 1999
LIGHTNING BOLT	717, 982	TMA 420, 837	December 10, 1993
LULLABYE BABY	667, 444	TMA 410, 631	April 9, 1993
M.U.L.E. KICKER	646, 069	TMA 376, 956	December 7, 1990
MAN OVERBOARD	666, 644	TMA 392, 775	January 10, 1992
MICRO MANIA	599, 266	TMA 350, 103	January 20, 1989
MISS YO-YO	421, 576	TMA 238, 352	December 14, 1979
MOD HOGS	590, 905	TMA 346, 091	October 7, 1988
MONKEY MANIA	618, 406	TMA 373, 972	October 5, 1990
MONSTER MATCH	600, 637	TMA 354, 496	April 14, 1989
MR. & MRS. YO-YO Design	632, 466	TMA 408, 252	February 19, 1993
MR. YO-YO	402, 427	TMA 232, 393	March 23, 1979
MY COUNTRY PAL	799, 197	TMA 468, 435	January 9, 1997
MY ONE AND ONLY	593, 490	TMA 350, 093	January 20, 1989
MY ONE AND ONLY	604, 322	TMA 353, 005	March 10, 1989
MY PAL 2	671, 674	TMA 393, 640	January 31, 1992
NINE TEARDROP HOCKEY GLOVE Design	647, 994	TMA 399, 304	June 19, 1992

Trade-mark	Application No.	Registration No.	Registration Date
NOUS NOUS RAPPELONS NOTRE ENFANCE	614, 868	TMA 357, 865	June 30, 1989
OLYMPIC	286, 243	TMA 147, 162	September 16, 1966
OLYMPIC YO-YO	286, 403	TMA 145, 784	June 10, 1966
OOPSIE DAISY	600,007	TMA 363, 077	November 10, 1989
OOPSIE DAISY	638, 291	TMA 373, 166	September 7, 1990
OOZERS	668, 902	TMA 392, 147	December 20, 1991
ORIGINAL SERIES	798, 468	TMA 484, 371	October 22, 1997
PATCH PIZAZZZ	740, 242	TMA 439, 226	February 10, 1995
PET PIGS	566, 178	TMA 332, 628	October 2, 1987
PLAY-OFF	663, 561	TMA 392, 325	December 27, 1991
POCKET POWER	611, 977	TMA 360, 502	September 15, 1989
POP-A-DICE	501, 698	TMA 307, 580	October 25, 1985
PREDATOR	851, 000	TMA 516, 838	September 23, 1999
PRO FLEX	500, 585	TMA 285, 224	November 25, 1983
PRO FLEX THUMB	641, 712	TMA 375, 548	November 9, 1990
PRO STOCK	735, 485	TMA 432, 888	September 2, 1994
QUICK SOUND GAME	600, 640	TMA 362, 982	November 10, 1989
REAL PITCH BASEBALL	723, 785	TMA 429, 995	July 1, 1994
REAL WHEELS	669, 124	TMA 395, 639	March 13, 1992
REAR VIEW ZOO	624, 638	TMA 365, 074	February 2, 1990
RED KNIGHT	646, 632	TMA 377, 372	December 14, 1990
REDLINE	779, 551	TMA 493, 507	April 22, 1998
RHEP	643, 513	TMA 376, 287	November 23, 1990
RHG	643, 515	TMA 375, 285	November 2, 1990
RHLG	643, 509	TMA 375, 281	November 2, 1990

Trade-mark	Application No.	Registration No.	Registration Date
RHSP	643, 514	TMA 375, 284	November 2, 1990
RKFB	643, 512	TMA 375, 283	November 2, 1990
RKP	643, 511	TMA 375, 282	November 2, 1990
ROADEEZ Design	710, 908	TMA 424, 687	March 4, 1994
ROCK	586, 682	TMA 342, 822	July 15, 1988
ROCKIN' ROBINS	597, 906	TMA 352, 639	March 3, 1989
ROLL-A-WORD	827, 206	TMA 509, 353	March 15, 1999
S'WITCHES	644, 003	TMA 396, 174	March 27, 1992
SANDSATIONS	766, 255	TMA 450, 806	November 24, 1995
SCRATCHEES	632, 850	TMA 370, 476	July 6, 1990
SEA BATTLE	743, 322	TMA 475, 623	May 2, 1997
SEMBL-EEZ	645, 271	TMA 381, 308	March 8, 1991
SEVEN TEARDROP HOCKEY GLOVE Design	647, 991	TMA 399, 521	June 26, 1992
SKETCH N' EGG	691, 837	TMA 420, 553	December 10, 1993
SKITTERBUGS	734, 197	TMA 432, 868	September 2, 1994
SNAP TRAC	619, 373	TMA 370, 009	June 29, 1990
SPEEDWAY CHALLENGE	694, 794	TMA 408, 147	February 12, 1993
SPINNER	382, 543	TMA 228, 439	June 9, 1978
SQUARE -- 1	678, 236	TMA 395, 703	March 13, 1992
SQUEEZE PLAY	599, 112	TMA 356, 345	May 26, 1989
ST. MARYS	611, 914	TMA 357, 461	June 23, 1989
STICKY FINGERS	568, 787	TMA 330, 502	July 24, 1987
SUPER SLIDER	597, 268	TMA 356, 340	May 26, 1989
SURE CATCH	568, 788	TMA 330, 503	July 24, 1987
SUZIE STRETCH	740, 638	TMA 436, 441	November 25, 1994

Trade-mark	Application No.	Registration No.	Registration Date
SWEET CHEEKS	645, 325	TMA 382, 679	April 5, 1991
TAC-TIC TURN	587, 594	TMA 347, 026	October 21, 1988
TALK'N LIL' RUN AROUND	697, 012	TMA 413, 730	June 18, 1993
TAPPED OUT	624, 637	TMA 366, 617	March 9, 1990
TECH CURVE BALL	843, 940	TMA 516, 962	September 24, 1999
TEENY WEENY FAMILIES	791, 471	TMA 470, 180	January 30, 1997
TENDER TREASURES	740, 669	TMA 436, 442	November 25, 1994
THE ADJUSTABLES	719, 494	TMA 425, 082	March 11, 1994
THE ADJUSTABLES & Design	719, 492	TMA 442, 727	May 12, 1995
THE BOMB	343, 512	TMA 183, 040	May 5, 1972
THE GAME OF WHICH WITCH IS WHICH	613, 525	TMA 363, 097	November 10, 1989
THE ORIGINAL COLLECTABLES	501, 156	TMA 292, 516	June 29, 1984
THE TWINS TWO OF A KIND & Design	686, 649	TMA 404, 088	October 23, 1992
THIS LITTLE PIGGIE	566, 207	TMA 332, 629	October 2, 1987
THREE TEARDROP HOCKEY GLOVE Design	647, 992	TMA 399, 303	June 19, 1992
TIMBERRR	641, 832	TMA 394, 656	February 28, 1992
TINY TALKERS	667, 445	TMA 394, 844	February 28, 1992
TOP ACTION	833, 657	TMA 517, 028	September 24, 1999
TOP CORNER	746, 228	TMA 439, 592	February 17, 1995
TRESSIE	757, 822	TMA 446, 680	August 25, 1995
TRI-UMPH Design	609, 663	TMA 364, 839	February 2, 1990
ULTIMATE DUEL	754, 803	TMA 447, 734	September 15, 1995
VERTIGO	702, 419	TMA 410, 951	April 9, 1993
VITE GAGNE, VITE PERDU	607, 715	TMA 353, 109	March 17, 1989
W & Design	653, 713	TMA 391, 221	December 6, 1991

Trade-mark	Application No.	Registration No.	Registration Date
WE REMEMBER WHEN WE WERE KIDS	614, 883	TMA 372, 618	August 31, 1990
WHISPER ME SECRETS	828, 584	TMA 520, 094	November 30, 1999
WINN-FLEX	846, 344	TMA 516, 973	September 24, 1999
WINNLITE	709, 955	TMA 450, 450	November 24, 1995
WINNWELL	648, 113	TMA 395, 055	March 6, 1992
WINNWELL	643, 941	TMA 400, 252	July 17, 1992
WINNWELL & Design	645, 234	TMA 398, 411	May 22, 1992
WINNWELL & Design	403, 146	TMA 226, 465	March 3, 1978
WOOF WOOF	599, 121	TMA 351, 597	February 17, 1989
WORLD CHAMPION YO-YO	398, 669	TMA 235, 845	September 7, 1979
YO-YO	610, 858	TMA 408, 234	February 19, 1993
YO-YO & Design	402, 428	TMA 232, 145	March 16, 1979

Applications

Trade-mark	Application No.	Filing Date
3D STACK ART	861, 919	November 19, 1997
BABY HIDE N' PEEK	1, 005, 190	February 12, 1999
BABY MAGIC TOUCH	892, 177	October 2, 1998
BABY READS TO ME	861, 243	November 12, 1997
BABY SOUNDS	892, 175	October 2, 1998
BEDAZZLER	1, 013, 436	April 26, 1999
BIRTHDAY MAGIC BABY	895, 846	November 9, 1998
BIRTHDAY WISH BABY	895, 848	November 9, 1998
BOY ZONE	1, 029, 846	September 23, 1999
BRILLIANTINE	848, 145	June 17, 1997
BURNIN' KEY CARS	1, 053, 283	March 31, 2000

Trade-mark	Application No.	Filing Date
C.A.T. 2000	882, 141	June 22, 1998
CHATTY CATHY	1, 042, 320	January 12, 2000
CRUISER	850, 991	July 16, 1997
E-MAZING BABY	1, 028, 715	September 13, 1999
E-MAZING KIDS	1, 036, 375	November 12, 1999
E-MAZING PETS	1, 036, 043	November 15, 1999
ELECTRA	1, 003, 477	January 29, 1999
FINGER POOL	1, 020, 602	June 28, 1999
FINGER ZINGERS	885, 990	July 30, 1998
FOLD-A-TEE	892, 511	October 6, 1998
FRIENDLY TIES	857, 025	September 24, 1997
GIRL BIZ	1, 027, 926	September 3, 1999
GIRL ZONE	1, 028, 826	September 14, 1999
GLOW-YO	1, 003, 474	January 29, 1999
GO'N PLACES PETS	1, 007, 052	March 2, 1999
IRWIN & Design	877, 888	May 11, 1998
IRWIN	877, 889	May 11, 1998
KISSY KISSY BABY	891, 632	September 25, 1998
KITTY LOVE	849, 131	June 25, 1997
KITTY SO REAL	849, 129	June 25, 1997
L'IL SKIP-ALONG	892, 173	October 2, 1998
L'IL SNIFFLES	1, 036, 369	November 18, 1999
LAST WORD	857, 136	September 25, 1997
L'IL SWEET 'N SASSY	895, 847	November 9, 1998
MAGIC KISS BABY	861, 242	November 12, 1997

Trade-mark	Application No.	Filing Date
MIX 'N' FIX	1, 040, 439	December 20, 1999
MY BABY	1, 000, 232	December 21, 1998
MY ONLY LOVE	851, 633	July 22, 1997
NENUCO	1, 043, 119	January 18, 2000
NEO	1, 003, 473	January 29, 1999
NET BABY	1, 024, 306	July 30, 1999
NOODLE DOODLE	1, 047, 145	February 17, 2000
PEEK-A-BOO BABY	862, 710	November 26, 1997
PINBALL-AIR	865, 367	December 29, 1997
PIZZA LOVIN' PATTY	1, 003, 053	January 26, 1999
PRANKENSTEIN	857, 024	September 24, 1997
PRECIOUS FEELINGS	892, 176	October 2, 1998
PUPPY LOVE	849, 233	June 26, 1997
PUPPY SO REAL	849, 130	June 25, 1997
SCREEMER	1, 003, 478	January 29, 1999
SMOOCHIES	1, 050, 521	March 13, 2000
UPSIE-OOPSIE DAISY	878, 869	May 21, 1998
V TEN ENGINE Design	1, 040, 438	December 20, 1999
WHIPLASH	1, 003, 476	January 29, 1999
WINGED WARRIOR	1, 003, 475	January 29, 1999
WINNWELL	1, 024, 844	August 5, 1999
WINNWELL & Design	1, 004, 606	January 27, 1999
X-BIKES	1, 042, 901	January 17, 2000
ZYBERWAND	1, 004, 093	February 3, 1999

TRADE-MARK SEARCH RESULTS – UNITED STATES

Irwin Toy Limited – Summary

Registrations

Trade-mark	Application No.	Registration No.	Registration Date
BABY READS TO ME	75 - 399, 292	2, 279, 986	September 21, 1999
3D STACK ART	75 - 396, 397	2, 267, 879	August 3, 1999
TOP ACTION	75 - 230, 553	2, 254, 058	June 15, 1999
SEA BATTLE	75 - 173, 205	2, 253, 993	June 15, 1999
ROLL-A-WORD	75 - 193, 392	2, 243, 183	May 4, 1999
TECH CURVE BALL	75 - 289, 332	2, 237, 543	April 6, 1999
MY ONLY LOVE	75 - 332, 728	2, 235, 311	March 23, 1999
LAWN THROW	75 - 172, 819	2, 223, 099	February 9, 1999
BUG BASH	75 - 182, 946	2, 170, 273	June 30, 1998
BIRDIE BASH	75 - 182, 945	2, 170, 272	June 30, 1998
POWER PADDLES	75 - 172, 820	2, 170, 234	June 30, 1998
BADMIN BASH	75 - 172, 817	2, 170, 233	June 30, 1998
FEATHER BALL	75 - 172, 816	2, 170, 232	June 30, 1998
COVER-UPS	74 - 710, 655	2, 114, 525	November 18, 1997
ANNIE MOTION	74 - 710, 656	2, 093, 495	September 2, 1997
L'IL MAKIN' FACES	75 - 042, 908	2, 092, 072	August 26, 1997
CLEVER CUTIE	74 - 713, 592	2, 059, 930	May 6, 1997
ORIGINAL SERIES	75 - 030, 494	2, 056, 446	April 22, 1997
AIR-LOCKER	74 - 455, 942	2, 025, 820	December 24, 1996
SANDSATION	74 - 587, 427	2, 004, 963	October 1, 1996
L'IL BABIES	74 - 200, 300	1, 969, 040	April 23, 1996

Trade-mark	Application No.	Registration No.	Registration Date
GREATEST HAIR AROUND	74 - 560, 475	1, 944, 783	December 26, 1995
PRO STOCK	74 - 802, 395	1, 934, 355	November 7, 1995
TOP CORNER	74 - 484, 408	1, 926, 574	October 10, 1995
BABY LOVING FEELINGS	74 - 446, 606	1, 900, 008	June 13, 1995
SUZIE STRETCH	74 - 454, 848	1, 898, 212	June 6, 1995
TENDER TREASURES	74 - 456, 090	1, 897, 059	May 30, 1995
WINNLITE	74 - 298, 496	1, 893, 673	May 9, 1995
GIRDER AND PANEL	74 - 329, 986	1, 892, 701	May 2, 1995
DOODLE PALS	74 - 449, 651	1, 891, 786	April 25, 1995
CREATIVE IMPRESSIONS	74 - 270, 852	1, 866, 485	December 6, 1994
WHO ZAT & Design	74 - 263, 227	1, 856, 337	September 27, 1994
REAL PITCH BASEBALL	74 - 364, 373	1, 851, 142	August 23, 1994
THE ADJUSTABLES	74 - 342, 981	1, 849, 450	August 9, 1994
THE ADJUSTABLES & Design	74 - 342, 908	1, 849, 449	August 9, 1994
MERMAID MAGIC SHELL	74 - 287, 967	1, 843, 748	July 5, 1994
Design (hockey glove)	74 - 253, 807	1, 830, 943	April 12, 1994
DECIPHER	74 - 329, 980	1, 825, 878	March 8, 1994
DISCONARY	74 - 327, 766	1, 822, 058	February 15, 1994
BABY'S ALL BETTER	74 - 209, 077	1, 814, 479	December 28, 1993
MONKEY MANIA	74 - 042, 295	1, 813, 850	December 28, 1993
WINNWELL	74 - 016, 850	1, 811, 332	December 14, 1993
SQUARE - 1	74 - 102, 609	1, 810, 109	December 7, 1993
WE REMEMBER WHEN WE WERE KIDS!	74 - 364, 604	1, 804, 952	November 16, 1993
BABY FIRST STEPS	74 - 092, 070	1, 795, 947	September 28, 1993
IRWIN TOY	74 - 157, 045	1, 761, 500	March 30, 1993

Trade-mark	Application No.	Registration No.	Registration Date
IRWIN	74 - 148, 037	1, 750, 242	February 2, 1993
BABY SHIVERS	74 - 048, 708	1, 665, 120	November 19, 1991
FRUSTRATION	73 - 790, 984	1, 579, 189	January 23, 1990
OOPSIE DAISY	73 - 786, 331	1, 564, 798	November 7, 1989
POP-A-DICE	73 - 434, 218	1, 409, 583	September 16, 1986

Applications

Trade-mark	Application No.	Filing Date
NENUCO	75 - 897, 682	January 18, 2000
MIX 'N' FIX	75 - 878, 814	December 22, 1999
L'IL SNIFFLES	75 - 858, 846	November 24, 1999
E-MAZING PETS	75 - 849, 955	November 16, 1999
E-MAZING KIDS	75 - 847, 256	November 12, 1999
GIRL ZONE	75 - 811, 251	September 29, 1999
BOY ZONE	75 - 811, 250	September 29, 1999
E-MAZING BABY	75 - 803, 637	September 17, 1999
GAMES TO GO	75 - 768, 010	August 3, 1999
BACKLASH	75 - 761, 038	July 26, 1999
BEDAZZLER	75 - 694, 862	April 30, 1999
BUNGEEZ	75 - 657, 349	March 10, 1999
BABY HIDE N' PEEK	75 - 642, 444	February 17, 1999
PIZZA LOVIN' PATTY	75 - 632, 290	January 29, 1999
WINNWELL Design	75 - 632, 289	January 29, 1999
JUNKYARD DERBY	75 - 596, 101	November 19, 1998
BIRTHDAY MAGIC BABY	75 - 589, 663	November 12, 1998
BIRTHDAY WISH BABY	75 - 589, 662	November 12, 1998

Trade-mark	Application No.	Filing Date
FOLD-A-TEE	75 - 570, 776	October 15, 1998
KISSY KISSY BABY	75 - 560, 655	September 29, 1998
C.A.T. 2000	75 - 515, 378	July 8, 1998
DIGITIZERS	75 - 473, 792	April 24, 1998
INLINE	75 - 456, 054	March 24, 1998
PIZZA TOSS	75 - 425, 346	January 29, 1998
PUTT N' POP	75 - 425, 345	January 29, 1998
HUSH-A-BYE BABY	75 - 424, 545	January 28, 1998
HUSH LITTLE BABY	75 - 424, 543	January 28, 1998
PINBALL AIR	75 - 410, 820	December 24, 1997
FRIENDLY TIES	75 - 383, 471	November 3, 1997
CREATE IT	75 - 210, 386	December 9, 1996

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Schedule "H"

Encumbrances

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INTELLECTUAL PROPERTY

RECORDED: 08/14/2000

TRADEMARK
REEL: 002119 FRAME: 0740