

MRD 3/18/99

FORM PTO-1594
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

03-29-1999



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HEET U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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Send original documents or copy thereof.

1999 MAR 18 AM 9:46

OPR/FINANCE

To the Honorable Commissioner of

1. Name of conveying party(ies):

The Derby Cycle Corporation

- Individual(s)
- General Partnership
- Corporation-State: Delaware
- Other:
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: February 9, 1999

2. Name and address of receiving party(ies)

Name: Chase Manhattan
Internal Address:
Street Address: 125 London Wall
City: London Country: England ZIP: EC2Y 5AJ

- Individual(s) citizenship:
- Association
- General Partnership
- Limited Partnership
- Corporation: United Kingdom
- Other:

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached: ? Yes No

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

A. Trademark Application No(s).

B. Trademark Registration No(s). 2,155,016

Additional numbers attached? Yes No

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

Name: Michael A. Herbst
Internal Address: Williams, Kastner & Gibbs PLLC
Two Union Square, Suite 4100
Street Address: 601 Union Street
City: Seattle State: WA ZIP: 98101-2380

6. Total number of applications and registrations involved:

30

7. Total fee (37 CFR 3.41): \$765.00

Enclosed.

03/26/1999 JSHABAZZ 00000139 2155016

01 FC:481
02 FC:482

40.00 OP
725.00 OP

DO NOT USE THIS SPACE

8. 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.

Michael A. Herbst
Name of Person Signing

Signature

March 11, 1999
Date

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

16

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

1. Additional name(s) of conveying party(ies):
(Continued from Page 1)

2. Additional name(s) and address(es) of receiving party(ies):
(Continued from Page 1)

4. Additional application number(s) or trademark registration number(s):
(Continued from Page 1)

A. Trademark Application No(s).	B. Trademark Registration No(s):
	1,646,783
	1,984,059
	1,083,920
	2,154,973
	1,498,541
	2,155,015
	1,981,085
	1,658,928
	1,704,322
	1,519,752
	1,609,704
	1,330,785
	1,248,873
	1,704,795
	1,704,806
	1,985,212
	1,318,952
	1,274,259
	1,925,348
	1,398,237
	2,094,016
	1,310,988
	1,984,060
	2,149,275
	2,149,272
	1,835,374
	1,269,116
	2,149,502
	1,340,566

JR

AMENDMENT TO PATENT AND TRADEMARK SECURITY AGREEMENT

538

THIS AMENDMENT TO PATENT AND TRADEMARK SECURITY AGREEMENT is entered into as of ~~February~~ January 4, 1999 ("Effective Date") by THE DERBY CYCLE CORPORATION, a Delaware corporation with a mailing address of 22710 72nd Avenue South, Kent, Washington 98032 (the "Debtor") in favor of CHASE MANHATTAN INTERNATIONAL LIMITED, in its capacity as Security Agent for itself and for the Secured Beneficiaries (as that term is defined below), with a mailing address of 125 London Wall, London, EC2Y 5AJ (the "Secured Party") with respect to the following facts:

A. Debtor granted to the Secured Party, by Patent and Trademark Security Agreement executed and delivered on or about May 12, 1998 (the "Patent and Trademark Security Agreement"), a security interest in all of its patents, trademarks, licenses and other intellectual property, then or thereafter acquired, wherever located.

B. Debtor and Derby Sweden AB wish to purchase certain assets of Diamond Back International Limited, Western States Import Company, Inc. and Bejka Trading AB (such transaction being the "Acquisition").

C. Debtor, Secured Party and the other parties thereto wish to amend the Facility Agreement to consent, inter alia, to the acquisition and wish to amend the Patent and Trademark Security Agreement to assure continued attachment and perfection of the Secured Party's security interest with respect to the assets being acquired.

D. Each capitalized term used but not defined in this Amendment shall have the meaning assigned to it by the Patent and Trademark Security Agreement.

E. It is a condition precedent to the granting of consent under the Facility Agreement for the Acquisition that the Debtor shall have amended the Patent and Trademark Security Agreement as described herein.

NOW, THEREFORE, in consideration of the premises, the Debtor and the Secured Party hereby agree as follows:

SECTION 1. Grant of Security Interest. In addition to and as confirmation of the pledge and grant of security interests in and to the property described in Section 1 of the Patent and Trademark Security Agreement, Debtor hereby pledges to the Secured Party for its benefit and for the ratable benefit of the Secured Beneficiaries, and hereby grants to the Secured Party for its benefit and the ratable benefit of the Secured Beneficiaries a security interest in, all of Debtor's right, title and interest in and to the following (the "Patent and Trademark Collateral") acquired subsequent to the execution of the Patent and Trademark Security Agreement:

- (a) all trademarks, service marks (including any common law marks), trademark and service mark registrations, trade dress, interests in any trademarks or

service marks under any and all license agreements, and trade dress, trade names and trademark or service mark applications for which registrations have been issued or applied for in the United States Patent and Trademark Office or elsewhere, all whether used in the United States or any state, territory or possession thereof, and throughout the world (but in the case of any of the foregoing rights and property arising under or subject to laws other than those of the United States or any state, territory or possession thereof (collectively, "foreign laws"), only if and to the extent that a security interest in or pledge of such rights and property is permitted under the applicable foreign laws); including, without limitation, the trademarks, service marks, applications and registrations listed on Annex A attached hereto and made a part hereof (excluding each application in the United States to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark or service mark) and the license agreements (both as licensee or licensor) listed on Annex B attached hereto and made a part hereof and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof but excluding attorneys' fees and court costs payable to Debtor in respect thereto, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trademark registrations, and interests under license agreements, trade names and applications, together with the items described in clauses (i) through (iv) in this subparagraph (a), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks";

(b) the goodwill of such Debtor's business connected with the Trademarks;
and

(c) all patents and design patents, and like rights (which phrase shall herein including any reexamination, reissue, continuation, continuation-in-part, divisional and other related registration for patents or design patents or like rights), and all license agreements pertaining thereto, and all applications therefor which have been made with the United States Patent and Trademark Office or elsewhere (but in the case of any of the foregoing rights and property arising under or subject to foreign laws, only if and to the extent that a security interest in or pledge of such rights and property is permitted under the applicable foreign laws), including, without limitation, those listed on Annex C attached hereto and made a part hereof and the license agreements (both as licensee or licensor) listed on Annex D attached hereto and made a part hereof and (i) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof but excluding attorneys' fees and court costs payable to Debtor in respect thereto, (ii) the right to sue for past, present and future infringements thereof, and (iii) all rights corresponding thereto throughout the world (all of the foregoing patents, design patents, interests under license agreements, and applications, together with the items described in

clauses (i) through (iii) in this subparagraph (a), are sometimes hereinafter individually and/or collectively referred to as the "Patents".

Debtor or its predecessor(s) in interest may have, prior to the Effective Date, entered into various license agreements involving the Patent and Trademark Collateral which may contain provisions which either (i) require consent of the other party to the license agreement prior to granting the security interest hereunder, or (ii) prohibit or may be construed to prohibit the grant of the security interest, as provided herein. With respect to license agreements described in clause (ii), Secured Party shall not acquire a security interest in such license agreements, but only to the extent such provision prevents the grant of security interest hereunder. With respect to license agreements described in clause (i), Secured Party shall not acquire a security interest in such license agreements unless and until the required consent is obtained. For each such license agreement the loss of which would reasonably be expected to have a Material Adverse Effect, Debtor shall exert commercially reasonable efforts to obtain such consent in writing within 90 days from the date hereof and, upon request from Secured Party, shall provide Secured Party with a copy of such consent, and if such consent is withheld, Secured Party and Debtor shall cooperate and work together to determine an appropriate course of action with respect to such license agreement.

SECTION 2. Further Assurances. Debtor further agrees to assign all United States patents and design patents and applications therefor, as listed in Annex C to the Secured Party by means of the Patent Assignment for Security Purposes, as attached hereto, and to procure the recordation of said Patent Assignment for Security Purposes with the United States Patent and Trademark Office. In the event that any additional United States patents or design patents or applications therefor are listed in Annex C, Debtor agrees to likewise assign such patents, design patents and applications to the Secured Party by means of a Patent Assignment for Security Purposes and to procure the recordation thereof with the United States Patent and Trademark Office.

SECTION 3. Confirmation of Collateral; Representations and Warranties. The Debtor hereby represents and warrants that there are no liens, claims or encumbrances on the Patent and Trademark Collateral granted in the Patent and Trademark Security Agreement as amended hereby other than the security interest in favor of the Secured Party and the Permitted Encumbrances. All representations and warranties contained in the Patent and Trademark Security Agreement remain true and correct on the date hereof.

SECTION 4. Unconditional Obligation; No Defenses. The Patent and Trademark Security Agreement represents the unconditional, absolute, valid and binding obligation of the Debtor. The Patent and Trademark Security Agreement is enforceable against the Debtor in accordance with its terms. The Debtor has no claims or defenses against the Secured Party or any other person or entity that would or might affect (a) the validity or enforceability of any provisions of the Patent and Trademark Security Agreement or (b) the collectibility by the Secured Party of any of the Obligations.

SECTION 5. Effect of this Amendment. Except as specifically amended above, the Patent and Trademark Security Agreement is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.


SECTION 6. Governing Law; Terms. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Washington and the federal laws of the United States of America.

SECTION 7. Venue and Jurisdiction. Actions to enforce the Secured Party's rights herein may be brought in or transferred to, at the option of the Secured Party, the courts of general jurisdiction of the United Kingdom, the United States District Courts or the state courts of general jurisdiction sitting in King County, State of Washington, or in any jurisdiction where any Patent and Trademark Collateral is located. The Debtor consents to the non-exclusive jurisdiction of all such courts, and waives any and all defenses based on inconvenience of forum in all actions brought hereunder.

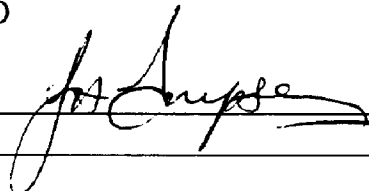
IN WITNESS WHEREOF, Debtor and Secured Party have caused this Amendment to be duly executed and delivered by their officers thereunto duly authorized as of the date first above written.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT. OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

THE DERBY CYCLE CORPORATION

By: 
Title: CFD

CHASE MANHATTAN INTERNATIONAL LIMITED

By: 
Its: _____

ANNEX A

Country	Mark	Class	(Application No.)/Registration No.
Sweden	Cycletech & Device	12	313488
Sweden	Diamondback & Device	12, 25	327242
Sweden	Emmelle ML	12	889479
Sweden	Primo & Device	12, 25	321653
Sweden	Radical & Device	12	315443

Country	Mark	Class	(Application No.)/Registration No.
Argentina	Diamondback	12	(A1873136)
Australia	Preference	28	B598299
Australia	Avenir	12	A445194
Australia	A Avenir	06	A467742
Australia	A Avenir	09	A467739
Australia	A Avenir	12	A467740
Australia	A Avenir	25	A467738
Australia	A Avenir	28	A467741
Australia	Diamond Back	12	A448978
Austria	Avenir	06, 09, 12, 25	123917
Austria	Preference the exercise of choice & Device	28	150197
Benelux	Preference	28	528827
Chile	Diamondback	12	408,548
China	Preference	28	863794
Colombia	Diamondback	12	164063
Denmark	Preference	28	VR05,853,1993
France	Diamond Back	12	N1375121
France	Preference	28	93455879
German Federal Republic	A Avenir	12, 09, 21, 25	2905249

German Federal Republic	Diamond Back	12	39409318
German Federal Republic	Diamondback	12	39520603
German Federal Republic	Diamond Back Preference	28, 10	2 090 053
Germany	Sabotage	9, 12, 25	396424155
New Zealand	Diamondback	12	186917
Paraguay	Diamondback	12	166806
Peru	Diamondback	12	1649
South Korea	Diamond Back	06, 07, 09, 11, 12, 21, 22, 28	301 968
Spain	Diamondback	12	2040969
Spain	Preference	28	1746511
Switzerland	Diamond Back Preference	10, 28	408853
Taiwan	Diamondback	12	797804
Taiwan	Preference	09, 28	006 19 168
Taiwan	Preference	09, 10	006 24 993
United Kingdom	Avenir	6	B 1,265,017
United Kingdom	Avenir	9	B 1,265,018
United Kingdom	Avenir	12	B 1,257,608
United Kingdom	Avenir	18	B 1,265,019
United Kingdom	Avenir	21	B 1,265,020
United Kingdom	Diamond Back	12	1,161,124
United Kingdom	Diamond Back Preference	28	2016422

Country	Mark	Class	(Application No.)/Registration No.
Austria	Diamond Back	12	123918
Benelux	Avenir	6, 9, 12, 18, 20, 25, 28	451989
Benelux	Diamond Back	12	447291
Bosnia/ Herzegovina	Avenir	6, 9, 12, 25, 28	BAZR97 1995A

Bosnia/ Herzegovina	Diamond Back	12	BAZR97 1996A
Bulgaria	Avenir	6, 9, 12, 25, 28	18474
Bulgaria	Diamond Back	12	019261
Canada	A Avenir	N/A	350519
Canada	Diamond Back	N/A	394,274
Canada	Avenir	N/A	351,118
Canada	Diamond Back	N/A	291,787 (Associated with 394,274)
Canada	Avenir	N/A	375,145
Canada	Avenir	N/A	374,541
China	Avenir	18	361509
China	Avenir	09	357910
China	Avenir	06, 09, 20	357627
China	Avenir	12	354745
China	Avenir	12	357134
China	Avenir	25	362486
China	Diamond Back	12	363061
China	Avenir	25	362752
China	Avenir	25	361140
Croatia	Avenir	6, 9, 12, 25, 28	Z932624N
Croatia	Diamond Back	12	Z932623N
Czechoslovakia	Avenir	6, 12, 18, 25, 28	168321
Czechoslovakia	Diamond Back	12	168594
Denmark	Avenir	6, 9, 12, 25, 28	VR07,816 1991
Finland	Avenir	6, 9, 12, 21, 28	113430
France	Centurion	12	1375120
France	A Avenir & Device	12	1533028
German Federal Republic	Diamond Back	12	1137439
Greece	Diamond Back	12	099833
Greece	Avenir	6, 9, 12, 25, 28	099832

Hong Kong	Avenir	6	B2981/1989
Hong Kong	Avenir	9	B3647/1989
Hong Kong	Avenir	12	B2103/1990
Hong Kong	Avenir	25	B50/1990
Hong Kong	Diamond Back	12	B3756/90
Hungary	Avenir	6, 9, 12, 25, 28	130234
Hungary	Diamond Back	12	130728
Indonesia	Avenir	6, 25	281931
Israel	Avenir	6	76237
Israel	Avenir	9	73238
Israel	Avenir	25	76240
Israel	Diamond Back	12	T/76236
Italy	Diamond Back	12	547,353
Italy	Avenir	6, 9, 12, 25, 28	547,354
Japan	D & Device	6, 8	2,308,753
Japan	A & Device	9, 15, 25, 28	2,372,358
Japan	A & Device	14, 18, 21, 26	2,240,417
Japan	Avenir	12	2,304,173
Japan	D & Device	11, 21	2,211,429
Japan	AJ & Device	12	2,173,673
Japan	Sandstreak	12	58073757
Japan	DA & Device	24, 25	2,248,416
Japan	DJ & Device	18, 25	2,230,107
Japan	DJ & Device	7	2,199,720
Malaya	Avenir	12	90002907
Malaya	Avenir	6	90002905
Mexico	Diamond Back	12	399,573
New Zealand	A Avenir & Device	9	173178
New Zealand	A Avenir & Device	12	173177
New Zealand	A Avenir & Device	6	173179

New Zealand	A Avenir & Device	28	173174
New Zealand	A Avenir & Device	25	173175
New Zealand	A Avenir & Device	18	194689
New Zealand	A Avenir & Device	21	194688
Norway	Diamond Back	12	143214
Norway	Avenir	6, 9, 12, 18, 21, 25, 28	138528
Poland	Diamond Back	12	067693
Poland	Avenir	6, 9, 12, 25, 28	067692
Portugal	Avenir	6	264192
Portugal	Avenir	9	264193
Portugal	Avenir	12	264194
Portugal	Diamond Back	12	264197
Portugal	Avenir	28	264196
Portugal	Avenir	25	264195
Singapore	Avenir	6	3480/90
Singapore	Avenir	12	3478/90
Singapore	Avenir	28	3476/90
Singapore	Avenir	9	3479/90
Singapore	Avenir	25	3477/90
Singapore	Diamond Back	12	3475/90
Slovenia	Diamond Back	12	Z-90080054
Slovenia	Avenir	6, 9, 12, 25, 28	Z-90080449
South Africa	Avenir	6	91/0618
South Africa	Avenir	9	91/0619
South Africa	Avenir	12	91/0620
South Africa	Avenir	25	91/0621
South Africa	Avenir	28	91/0622
South Africa	Diamond Back	12	91/0442
South Korea	Avenir	25	135015
South Korea	Avenir	12	136940

Spain	Avenir	12	1573456
Spain	Avenir	28	1573458
Spain	Avenir	25	1573457
Spain	Avenir	9	1573455
Sweden	Avenir	6, 9, 12, 25, 28	237505
Switzerland	Diamond Back	12	366233
Switzerland	Avenir	6, 9, 12, 18, 20,21, 25, 28	366232
Taiwan	Ridge Runner	12	247953
Taiwan	Avenir	6	328489
Taiwan	Avenir	12	324800
Taiwan	Avenir	18	326067
United Kingdom	Avenir	25	B1257609
United States	Ignitor	12	2,155,016
United States	Interval	12	1,646,783
United States	Lakeside	12	1,984,059
United States	Le Mans	12	1,083,920
United States	Lil=one	12	2,154,973
United States	Lil=one	12	1,498,541
United States	Outlook	12	2,155,015
United States	Parkway	12	1,981,085
United States	Photon	12	1,658,928
United States	Preference	28	1,704,322
United States	Reactor	12	1,519,752
United States	Recoil	12	1,609,704
United States	Sandstreak	12	1,330,785
United States	Silver Streal	12	1,248,873
United States	Sorrento	12	1,704,795
United States	Tailwhip	12	1,704,806
United States	Topanga	12	1,985,212
United States	Tour Mate	12	1,318,952

United States	Viper	12	1,274,259
United States	Comfort Plus	12	1,925,348
United States	Avenir	6, 9, 12, 25, 28	1,398,237
United States	Apex	12	2,094,016
United States	Formula (Stylized)	12	1,310,988
United States	Dual Response	12	1,984,060
United States	Diamondback Trademark	12	2,149,275
United States	Diamondback Trademark	9	2,149,272
United States	Diamond Back	12	1,835,374
United States	Diamond Back	12	1,269,116
United States	Crestview	12	2,149,502
United States	A.P.B.	12	1,340,566

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ANNEX C

Country	No.	Description	Filing Date
USA D309961	7-074517	Bicyclist's Helmet	17 July 1987
USA 4,986,533	7-560799	Magnetically Controlled Exercise Bicycle	30 July 1990
USA 5,094,124	7-709115	Handlebars for Stationary Exercise Bike	03 June 1991
USA 5,240,219	7-801362	Seat Post Clamp for Exerciser Bike	02 Dec. 1991
USA 5,356,198	7-927459	Bicycle and Exerciser Seat	07 Aug. 1992
USA 5,379,796	8-200726	Air Pump Head	23 Feb. 1994

