

02-26-2002

Form PTO-1594
(Rev. 03/01)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
GT Bicycles, Inc., 2-4-02
a California Corporation

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

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

2. Name and address of receiving party(ies)

Name: Kirk Jones
Internal
Address: _____
Street Address: 1553 Via Monserate
City: Fallbrook State: CA Zip: 92028

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 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

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other Release of Security Agreement

R/F1444/0158; R/F1735/0339; R/F1817/0439
Execution Date: 12/28/99 11/00

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

A. Trademark Application No.(s)
B. Trademark Registration No.(s)
2,016,941

Additional number(s) attached Yes No

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

Name: Phillip Ashman, Esq.
Internal Address: _____
Street Address: 19900 MacArthur Blvd.
Suite 1150
City: Irvine State: CA Zip: 92612

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$40.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:

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

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

JOSEPH J. GAGLIARDI Joseph J. Gagliardi
(Name of Person Signing) Signature

Date 11/14/01

Total number of pages including cover sheet, attachments, and document: 3

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

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TRADEMARK
REEL: 002446 FRAME: 0571

RELEASE OF COLLATERAL

This RELEASE OF COLLATERAL (this "Release") is made and entered into as of November 12, 2001, by GT BICYCLES, INC., a California corporation formerly known as GT Bicycles California, Inc. ("Secured Party"), with reference to the following facts:

A. Secured Party and Kirk Jones, an individual ("Debtor"), are parties to (i) that certain Security Agreement dated December 28, 1999, and (ii) that certain Security Agreement dated November, 2000 (collectively, the "Security Agreements"), pursuant to which Debtor granted to Secured Party a security interest in and to the following described property (collectively, the "Collateral"): (1) United States Patent No. 5,184,874 entitled "INJECTION MOLDED PLASTIC BICYCLE WHEEL" and issued February 9, 1993, to Debtor and Douglas Olson, an individual ("Olson"); (2) United States Patent No. 5,415,463 entitled "INJECTION MOLDED PLASTIC BICYCLE WHEEL" and issued May 16, 1995, to Debtor and Olson (the patents referred to in this clause (2) and clause (1) above are collectively referred to herein as the "Patents"); (3) the "SPIN" trademark, registered with the U.S. Patent and Trademark Office on November 19, 1996, as Registration No. 2,016,941; (4) the SPIN MAX ATB all-terrain bicycle wheel mold (aka the "Eon"); (5) any other molds purchased by Secured Party and/or any of its past or present affiliates, on behalf of Innovations In Composites, Inc., a California corporation ("IIC"), and used in conjunction with the business of IIC; and (6) any current or future license and royalty agreement which relates to or arises out of either of the Patents, including any royalty income generated thereby.

B. The Security Agreements were entered into, and Debtor granted Secured Party a security interest in the Collateral, to secure the obligations of Debtor under (i) that certain Secured Promissory Note dated as of December 28, 1999 in the original principal amount of \$285,315.75, and (ii) that certain Secured Promissory Note dated November, 2000 in the original principal amount of \$64,684.25 (collectively, the "Promissory Notes"). In connection with the Security Agreements and the Promissory Notes, in order to perfect Secured Party's interest in the Collateral, Debtor also executed certain Financing Statements (the "Financing Statements"), which Financing Statements were delivered to Secured Party.

C. Pursuant to the terms of that certain Settlement Agreement and Release dated as of October 22, 2001, between Secured Party and Debtor, among others, Debtor has, or concurrently with Secured Party's execution and delivery of this Release will, satisfy all of Debtor's obligations under the Promissory Notes and Security Agreements.

D. In consideration of Debtor's satisfaction of Debtor's obligations under the Promissory Notes and Security Agreements, Secured Party now desires to release its interest in the Collateral and authorize the execution and recordation of one or more Release of Financing Statements to evidence Secured Party's release of the Collateral.

NOW, THEREFORE, in consideration of the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Secured Party hereby agrees as follows:

1. Release of Collateral. Secured Party hereby quitclaims and releases any and all right, title and interest of Secured Party in and to the Collateral.

2. Satisfaction of Obligations. Secured Party hereby acknowledges that Debtor has satisfied all of Debtor's obligations under and pursuant to the Promissory Notes and Security Agreements. Further, Secured Party hereby agrees that Debtor shall have no further liability under the Promissory Notes and the Security Agreements.

3. Authorization to Terminate Security Agreements and Financing Statements. Secured Party hereby authorizes Debtor, or Debtor's authorized agent(s), to prepare, execute, if necessary, and record one or more Release of Security Agreements and/or Financing Statements in connection with the termination of Secured Party's interest in and to the Collateral. In particular, but not limited to, this Release of Collateral specifically terminates and releases any and all Security Agreements recorded with the United States Patent and Trademark Office securing Debtor's interest in Patent No. 5,184,874; Patent No. 5,415,463; and Trademark No. 2,016,941.

4. Further Assurances. Secured Party hereby agrees to cooperate with Debtor in evidencing the release of the Collateral as provided hereunder and agrees to execute any further documents and to perform any further acts reasonably required by Debtor in connection with this Release.

5. Governing Law. This Release shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

This RELEASE OF COLLATERAL has been executed by Secured Party as of the date first written above.

"Secured Party"

GT BICYCLES, INC., a California corporation
formerly known as GT Bicycles California, Inc.

By: Joseph J. Goggin
Its: President and Chief Financial Officer
Name: Joseph J. Goggin