

07-30-2002



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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

ET 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):

The American Bicycle Group, LLC

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

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: July 15, 2002

2. Name and address of receiving party(ies)

Name: Citicorp USA, Inc.

Internal Address: 25th Floor, Zone 5

Street Address: 153 East 53rd Street

City: New York State: New York Zip: 10022

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Delaware 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 registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,558,481

Additional number(s) attached Yes No

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

Name: Tonya Chapple

Internal Address: c/o CSC

Street Address: 80 State St.

City: Albany State: NY Zip: 12207

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.

Amy Lee Brady Name of Person Signing

[Signature]

1/17/2002 Date

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

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

07/30/2002 00000037 2558481 01 FC:481 40.00 DP

TRADEMARK REEL: 002551 FRAME: 0865

RATIFICATION OF INTELLECTUAL PROPERTY COLLATERAL PLEDGE AND
SECURITY AGREEMENT

WHEREAS, THE AMERICAN BICYCLE GROUP, LLC, formerly known as QR Merlin Acquisition, LLC, a Delaware limited liability company, having a principal place of business at 9308 Ooltewah Industrial Drive, Ooltewah, Tennessee 37363 and LITESPEED TITANIUM COMPONENTS, INC., a Tennessee corporation with a principal place of business at 9308 Ooltewah Industrial Drive, Ooltewah, Tennessee 37363 (collectively, the "Debtors") entered into an Intellectual Property Collateral Pledge and Security Agreement (as amended, the "IP Agreement") dated October 6, 2000 in favor of CITICORP USA, INC., a Delaware corporation, having an address at 153 East 53rd Street, 25th Floor, Zone 5, New York, New York 10022 (the "Lender"), which pledged Collateral (as such term is defined in the IP Agreement) secures the payment of all debts, obligations, and liabilities owed by Debtors to Lender under a Loan Agreement between Debtors and Lender dated October 6, 2000, as amended (the "Existing Loan Agreement");

WHEREAS, the Debtors and the Lender are entering into an Amended and Restated Loan Agreement of even date herewith (the "Amended and Restated Loan Agreement"; unless otherwise defined herein, capitalized terms are used as defined in the Amended and Restated Loan Agreement), which amends and restates the Existing Loan Agreement; and

WHEREAS, it is a condition precedent to the effectiveness of the Amended and Restated Loan Agreement that the Debtors ratify and confirm their obligations under the IP Agreement, all as herein provided.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt of which is hereby acknowledged, the Debtors hereby ratify and confirm that obligations to the Lender arising pursuant to the IP Agreement and hereby represent, warrant, covenant and agree to and with the Lender that:

- (i) the term "Loan Agreement" as set forth in the IP Agreement, means the Amended and Restated Loan Agreement as amended, restated, supplemented or otherwise modified from time to time;
- (ii) the obligations under the IP Agreement shall not be effected or impaired by the execution and delivery of any instruments, notes, agreements or any other documents executed in connection with the Amended and Restated Loan Agreement;
- (iii) The IP Agreement shall continue to secure the payment and performance of all Obligations of the Debtors now or hereafter owing to the Lender under the Amended and Restated Loan Agreement;
- (iv) The Debtor is not in default in the performance of any of its covenants or

agreements under the IP Agreement;

(v) Other than as described in clause (vi) below, all representations and warranties made by the Debtor in the IP Agreement are true and correct in all material respects on and as of the date hereof as though made on and as of such date;

(vi) Other than the Trademarks (as such term is defined in the IP Agreement) set forth in the IP Agreement to which Debtors granted a first security interest to Lender, the Debtors have not filed additional Trademarks, except as set forth on Schedule A, attached hereto and made a part hereof to which Debtors grant to Lender a first security interest in such additional Trademarks; and

(vii) The execution and delivery of this IP Agreement is within the Debtors' powers, corporate or otherwise, has been duly authorized or will be ratified by all necessary corporation action, and does not contravene, or constitute a default under any provision of applicable law or regulation of any of its corporate documents or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Debtor.

Except as expressly modified and amended hereby, the IP Agreement is in all respects ratified and confirmed, the terms, provisions, covenants and conditions thereof shall be and remain in full force and effect and all liens, security interests, transfers, pledges and assignments made, granted or delivered to the Lender by the Debtor in connection therewith, if any, to secure the Obligations are hereby ratified and confirmed as continuing to secure the payment of the Obligations.

[Signature page to follow.]

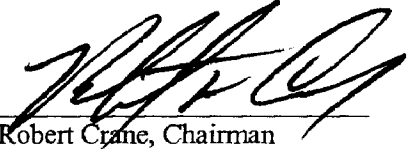
July 15

EXECUTED effective as of ~~June~~, 2002.

Litespeed Titanium Components, Inc.

By: 
Robert Crane, Secretary

The American Bicycle Group, LLC

By: 
Robert Crane, Chairman

391427.01 - Ratification of IP Collateral Pledge and Security Agreement