

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

| Name                      | Execution Date |
|---------------------------|----------------|
| Hayes Bicycle Group, Inc. | 06/10/2005     |

RECEIVING PARTY DATA

|                 |                            |
|-----------------|----------------------------|
| Name:           | M&I Marshall & Ilsley Bank |
| Street Address: | 770 North Water Street     |
| City:           | Milwaukee                  |
| State/Country:  | WISCONSIN                  |
| Postal Code:    | 53202                      |

PROPERTY NUMBERS Total: 9

| Property Type       | Number   |
|---------------------|----------|
| Patent Number:      | 6003639  |
| Patent Number:      | 5390771  |
| Application Number: | 60580895 |
| Application Number: | 60551537 |
| Application Number: | 29224995 |
| Application Number: | 10810540 |
| Application Number: | 29205436 |
| Application Number: | 60620570 |
| Application Number: | 60623314 |

CORRESPONDENCE DATA

Fax Number: (414)978-8675

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 414.277.5675

Email: msl@quarles.com

Correspondent Name: Marta S. Levine

Address Line 1: Quarles & Brady LLP

PATENT

500035493

REEL: 016135 FRAME: 0135

CH \$360.00 6003639

|                 |                            |
|-----------------|----------------------------|
| Address Line 2: | 411 East Wisconsin Avenue  |
| Address Line 4: | Milwaukee, WISCONSIN 53202 |

|                    |                 |
|--------------------|-----------------|
| NAME OF SUBMITTER: | Marta S. Levine |
|--------------------|-----------------|

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| <p>Total Attachments: 6</p> <p>source=SecIntPatentHayesBicycleGroup#page1.tif</p> <p>source=SecIntPatentHayesBicycleGroup#page2.tif</p> <p>source=SecIntPatentHayesBicycleGroup#page3.tif</p> <p>source=SecIntPatentHayesBicycleGroup#page4.tif</p> <p>source=SecIntPatentHayesBicycleGroup#page5.tif</p> <p>source=SecIntPatentHayesBicycleGroup#page6.tif</p> |
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CONFIRMATORY GRANT OF SECURITY INTEREST  
IN UNITED STATES PATENTS

THIS CONFIRMATORY GRANT OF SECURITY INTEREST IN UNITED STATES PATENTS (the "Confirmatory Grant") is made effective as of the 10th day of June, 2005 by and from Hayes Bicycle Group, Inc. (the "Grantor"), a Delaware corporation, whose principal address is 5800 West Donges Bay Road, Mequon, Wisconsin 53092, to and in favor of M&I MARSHALL & ILSLEY BANK, for itself and as Agent for the Lenders (as defined in the Security Agreement referenced below) (M&I Marshall & Ilsley Bank, for itself and as Agent for the Lenders, is hereinafter referred to as the "Grantee").

WHEREAS, Grantor and Grantee have entered into a Security Agreement of even date herewith (as amended from time to time, the "Security Agreement").

WHEREAS, the Grantor owns the patents and patent applications with the U.S. Patent and Trademark Office (the "Patents") listed on Exhibit A attached hereto.

WHEREAS, this Confirmatory Grant has been granted in conjunction with the security interest granted to Grantee under the Security Agreement. The rights and remedies of Grantee with respect to the security interest granted herein are without prejudice to and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Confirmatory Grant are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.


NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed that:

- 1) Definitions. All capitalized terms not defined herein shall have the respective meaning given to them in the Security Agreement.
- 2) The Security Interest.
  - (a) This Confirmatory Grant is made to secure the satisfactory performance and payment of all the Obligations of Grantor and the other Borrowers (as defined in the Security Agreement), pursuant to the Security Agreement. Upon the payment in full of all Obligations, Grantee shall, upon such satisfaction, execute, acknowledge, and deliver to Grantor an instrument in writing releasing the security interest in the Patents acquired under this Confirmatory Grant.

- (b) The Grantor hereby grants to Grantee a security interest in (1) all of Grantor's right, title and interest in and to the Patents set forth in Exhibit A now owned or from time to time after the date hereof owned or acquired by the Grantor, together with (2) all proceeds and products of the Patents, and (3) all causes of action arising prior to or after the date hereof for infringement of any of the Patents.

IN WITNESS WHEREOF, the Grantor has executed this Confirmatory Grant of Security Interest effective as of the above-indicated date.

**HAYES BICYCLE GROUP, INC.**

By:   
Name: Rod Fostner  
Title: Chief Financial Officer

STATE OF WISCONSIN     )  
MILWAUKEE COUNTY    )

Rod Fostner, known to me to be the Chief Financial Officer of HAYES BICYCLE GROUP, INC., personally came before me this 8<sup>th</sup> day of June, 2005, and executed or acknowledged to me that he executed the foregoing Confirmatory Grant of Security Interest in United States Patents on behalf of said corporation and pursuant to authority duly received .

(SEAL)



Notary Public, State of Wisconsin

My Commission Expires: 1-8-06

Notary Page for Confirmatory Grant of  
Security Interest in United States Patents

**PATENT**  
**REEL: 016135 FRAME: 0140**

CONFIRMATORY GRANT OF SECURITY INTEREST  
IN UNITED STATES PATENTS  
Exhibit A - SCHEDULE OF PATENTS

| Serial No.    | Filed            | Title  | Patent No. | Issued              | Owner/Assignee               |
|---------------|------------------|--|------------|---------------------|------------------------------|
| 09/232,400    | Jan. 15,<br>1999 | Bicycle Brake<br>System  | 6,003,639  | Dec.<br>21,<br>1999 | Hayes Bicycle<br>Group, Inc. |
| 08/051,474    | Apr. 22,<br>1993 | Hydraulic<br>Caliper Brake<br>Assembly For<br>A Bicycle                                      | 5,390,771  | Feb.<br>21,<br>1995 | Hayes Bicycle<br>Group, Inc. |
| 60/580,895    |                  | Quick Release<br>Motor   |            |                     | Hayes Bicycle<br>Group, Inc. |
| EP 04012242.6 | Aug. 18,<br>2004 | Bicycle Brake<br>System - UK<br>into Hong<br>Kong Appl.                                      |            |                     | Hayes Bicycle<br>Group, Inc. |
| 60/551,537    | Mar. 7,<br>2005  | Adjustable<br>Mechanical<br>Advantage,<br>Lever Stroke<br>and Home<br>Position               |            |                     | Hayes Bicycle<br>Group, Inc. |
|               | Mar. 7,<br>2005  | Adjustable<br>Mechanical<br>Advantage,<br>Lever Stroke<br>and Home<br>Position - PCT<br>App. |            |                     | Hayes Bicycle<br>Group, Inc. |
| 29/224,995    | Mar. 7,<br>2005  | Adjustable<br>Mechanical<br>Advantage,<br>Lever Stroke<br>and Home<br>Position -<br>Design   |            |                     | Hayes Bicycle<br>Group, Inc. |

| Serial No.        | Filed         | Title  | Patent No. | Issued | Owner/Assignee            |
|-------------------|---------------|--|------------|--------|---------------------------|
|                   |               | Adjustable Mechanical Advantage, Lever Stroke and Home Position - Taiwan |            |        | Hayes Bicycle Group, Inc. |
| 10/810,540        | Mar. 26, 2004 | Quick Mount Disc Brake Rotor   |            |        | Hayes Bicycle Group, Inc. |
| PCT/US2004/009367 | Mar. 26, 2004 | Quick Mount Disc Brake Rotor PCT Appl.                                   |            |        | Hayes Bicycle Group, Inc. |
| 29/205,436        | May 14, 2004  | Disk Brake Rotor   |            |        | Hayes Bicycle Group, Inc. |
| 000257050-0001    | Nov. 15, 2004 | Disk Brake Rotor, European Community                                     |            |        | Hayes Bicycle Group, Inc. |
| 60/620,570        |               | Quick Connect Rotor  |            |        | Hayes Bicycle Group, Inc. |
| 60/623,314        |               | Integrated Hose Insert and Bushing                                       |            |        | Hayes Bicycle Group, Inc. |
|                   |               | Gearbox Mountings  |            |        | Hayes Bicycle Group, Inc. |