

10-01-2001



101862427

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

#### Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID #
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

#### Conveyance Type

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year
- Merger
- Change of Name
- Other

#### Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

#### Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual  General Partnership  Limited Partnership
- Corporation  Association
- Other

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

- Citizenship/State of Incorporation/Organization

10/01/2001 DBYRNE 00000157 1517134

FOR OFFICE USE ONLY

01 FC:481  
02 FC:482

40.00 OP  
2825.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

TRADEMARK  
REEL: 002370 FRAME: 0452

**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

Name

Address (line 1)

Address (line 2)

Address (line 3)

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)

Registration Number(s)

<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"/>

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**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

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.

Tammy S. Settle

September 27, 2001

Name of Person Signing

Signature

Date Signed

Trademark and License Security Agreement

Between Pacific Cycle, LLC and GMAC Business Credit, LLC

Trademark Registrations

SCHEDULE A

MARK	REGISTRATION NO.
PACIFIC CYCLE USA	1,919,567
PACIFIC	1,613,712
DESIGN	2,172,707
ROADMASTER	1,579,972
ROADMATER & DESIGN	1,650,080
TRAILBLAZER	2,036,101
FEARLESS	2,025,003
ACTION RIDER	1,809,044
ALPHA	1,810,014
BLACK HAWK	1,949,494
DAISY BICYCLE FOR TWO	1,287,051
DAISY TRIKE FOR TWO	1,287,052
DARING	1,834,567
FALCON	536,467
FANTASY	1, 576,285
HEALTHMASTER	1,311,210
MOTOCYKES	1,802,670
PRO EDGE	1,309,915
R DESIGN MARK	1,896,111

MARK	REGISTRATION NO.
RENEGADE	781,686
SCORCHER	1,281,458
SNO-NUT	1,211,704
TOT ROCKET	1,756,175
TURBO TOT	1,494,375
YANKEE CLIPPER	336,755
RAZZLE DAZZLE	1,674,982
ROAD MASTER (STYLIZED)	332,192
ADVENT	1,641,913
ADVENT	1,537,494
ADVENT	1,643,731
SHARK SNO BOARD	2,282,770
MONGOOSE	1,262,456
MONGOOSE	1,148,240
MONGOOSE CARTOON DESIGN	1,209,621
MONGOOSE	2,358,569
MOTOMAG	1,063,259
MOTOMAG	2,253,261
NEWMAN	2,346,270
ALTA	1,939,871
AMPLIFIER	1,787,464
AVALON	1,698,360
B.M.X. & DESIGN	1,148,842

MARK	REGISTRATION NO.
CALIFORNIAN PRO	1,517,134
CHELSEA	1,696,912
CONFETTI	1,759,146
CROSSWAY	1,812,872
DECADE	1,531,880
DECADE PRO (STYLIZED)	1,532,942
HOOLIGAN	1,654,038
IBOC & DESIGN	1,559,742
LITTLE FOOT & DESIGN	1,588,726
MANEUVER	470,460
MANEUVER & DESIGN	1,558,935
MELODY	1,781,314
MENACE	1,665,451
MENACE	2,275,916
MINI CALIFORNIAN	1,518,821
MINI MOUNT	1,792,162
MITY TRAIL	1,782,090
MITYGOOSE	1,137,835
MONGOOSE M-1	1,592,913
MONGOOSE M-1 MINI	1,595,218
MONGOOSE ULTRA STORM	1,633,966
MT. GRIZZLY	1,774,658
OUTER LIMIT AND DEISGN	1,559,741

MARK	REGISTRATION NO.
OUTRIDER	1,845,104
PRO CLASS	1,352,698
SOLUTION	1,521,714
SUPERGOOSE	1,176,047
SWITCHBACK (STYLIZED)	1,526,750
SYCAMORE	1,898,838
SCORCH	2,256,884
NEWMAN CDB ALLOY & DESIGN	2,290,904
MONGOOSE BOARDS & DESIGN	2,358,586
ROADMASTER BICYCLES AND STYLIXED R LOGO WITH A CIRCLE	2,309,100
MONGOOSE PRO	2,389,466
BUTTMASTER	2,011,180

**SCHEDULE B**  
to Trademark and License Security Agreement

LICENSES

Grantor is party to the following licenses:

1. Agreement between Grantor, as licensor, and Bell Sports Inc., as licensee, dated as of September 1, 1998, as amended, with respect to certain trademarks.
2. License Agreement between Grantor, as licensor, and Empire of California, Inc., as licensee, dated as of August 26, 1999, with respect to certain trademarks.
3. Agreement between Grantor, as licensor, and Hupa International, Inc., as licensee, dated as of June 1, 2000, with respect to certain trademarks.
4. Agreement between Grantor, as licensor, and Hyline All-Terrain Board Company L.L.C., as licensee, dated as of February 1, 1999, with respect to certain trademarks.
5. Agreement between Grantor, as licensor, and Hyp Hats, as licensee, dated as of October 14, 1999, with respect to certain trademarks.
6. Agreement between Grantor, as licensor, and InGEAR, as licensee, dated as of September 29, 1999, with respect to certain trademarks.
7. Agreement between Grantor, as licensor, and Spin Master Toys, as licensee, dated as of October 5, 1999, with respect to certain trademarks.
8. Agreement between Grantor, as licensor, and World Sports International, as licensee, dated as of August 16, 1999, with respect to certain trademarks.

Trademark and License Security Agreement

Between GMAC Business Credit, LLC

and Pacific Cycle, LLC

Trademark Applications

Schedule C

MARK	APPLICATION NO.
CROSS THE LINE	75/376,672
ANVIL	75/444,123
ALLY CAT & DESIGN	75/594,409
MONGOOSE	75/662,595
MONGOOSE	75/662,593
MONGOOSE	75/662,592
MONGOOSE	75/662,589
MONGOOSE SNOWBOARD BINDINGS	75/662,590
MONGOOSE	75/662,596
MONGOOSE CHARACTER DEVICE SKATEBOARD ACCESSORIES	75/662,584
MONGOOSE CHARACTER DEVICE	75/662,588
MONGOOSE CHARACTER DEVICE	75/662,576
MONGOOSE CHARACTER	75/662,591
MONGOOSE CHARACTER DEVICE	75/662,594
MONGOOSE	75/662,575
MONGOOSE	75/662,585
MONGOOSE	75/662,586
MONGOOSE	75/662,587



MARK	APPLICATION NO.
MONGOOSE	75/684,918
MONGOOSE CHARACTER DEVICE	75/684,919
MONGOOSE	75/684,920
MONGOOSE CHARACTER DEVICE	75/684,921
NEWMAN CHALLENGE	75/448,326
FREQUENT FLYER SMILES	75/440,097
FREQUENT FLYER SMILES	75/440,096
FREQUENT FLYER	75/440,094
TORQUE DRIVE SYSTEM	75/449,018
TORQUE DRIVE TD-PRO	75/449,017
TRUE TECHNOLOGIES	75/573,692
MGX (STYLIZED)	74/452,266
MGX & DESIGN	75/434,883
HOOP D	75/640,475
ELEMENT	75/860,473
BRAWLER	78/009,386

## TRADEMARK AND LICENSE SECURITY AGREEMENT

TRADEMARK AND LICENSE SECURITY AGREEMENT (“Agreement”) dated as of September 20, 2001, made by PACIFIC CYCLE, LLC (“Grantor”), a Delaware limited liability company, in favor of GMAC Business Credit, LLC, a Delaware limited liability company, as agent (the “Agent”), for the lenders (“Lenders”) who are parties to that certain Credit Agreement of even date herewith (as the same may hereafter be amended or otherwise modified from time to time, the “Credit Agreement”) by and among Grantor, Schwinn Acquisition LLC (“Acquisition”), Lenders and Agent.

### WITNESSETH:

WHEREAS, Lenders, Agent, Grantor and Acquisition have entered into the Credit Agreement pursuant to which Lenders have, subject to certain conditions precedent, agreed to make loans, advances and other financial accommodations (collectively, the “Loans”) to Grantor and Acquisition; and

WHEREAS, Lenders have required as a condition, among others, to the making of the Loans, in order to secure the prompt and complete payment, observance and performance of all of each Loan Party’s obligations and liabilities hereunder, under the Credit Agreement, and under all of the other instruments, documents and agreements executed and delivered by Grantor to Agent in connection with the Credit Agreement (all such obligations and liabilities being hereinafter referred to collectively as the “Obligations”), that Grantor execute and deliver this Agreement to Agent for its benefit and the ratable benefit of Lenders.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Defined Terms.
  - (i) Unless otherwise defined herein, the capitalized terms used herein which are defined in the Credit Agreement shall have the meanings specified in the Credit Agreement.
  - (ii) The words “hereof,” “herein” and “hereunder” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and schedule references are to this Agreement unless otherwise specified.
  - (iii) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Grantor hereby grants to Agent for its benefit and the ratable benefit of Lenders, a first priority security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, in all of Grantor's now owned or existing and filed and hereafter acquired or arising and filed:

- (i) trademarks, registered trademarks and trademark applications, trade names, service marks, registered service marks and service mark applications including, without limitation, the registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule A attached hereto, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, and (d) all of Grantor's rights corresponding thereto throughout the world (all of the foregoing registered trademarks, trademark applications, registered service marks and service mark applications, together with the items described in clauses (a)-(d) in this Section 2(i), being sometimes hereinafter individually and/or collectively referred to as the "Trademarks");
- (ii) the goodwill of Grantor's business connected with and symbolized by the Trademarks; and
- (iii) license agreements with any other party in connection with any Trademarks or such other party's trademarks, registered trademarks and trademark applications, trade names, service marks, registered service marks and service mark applications, whether Grantor is licensor or licensee under any such license agreement, including, but not limited to, the license agreements listed on Schedule B attached hereto, and the right upon the occurrence and during the continuance of an Event of Default to use the foregoing in connection with the enforcement of Agent's rights under the Credit Agreement (all of the foregoing being hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 2, the Licenses shall not include (A) any license agreement which by its terms prohibits the grant of the security interest contemplated by this Agreement or (B) any intent-to-use trademark applications to the extent the granting of a security interest hereunder shall in any way adversely affect such application.

3. Restrictions on Future Agreements. After the date hereof, Grantor will not, without the prior written consent of Agent (such consent not to be unreasonably withheld), enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Grantor further agrees that it will not take any action, and will use its commercially reasonable efforts not to permit any action to be taken by licensees or others subject to its control, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Agent under this Agreement or the rights associated with those Trademarks which are necessary or desirable in the operation of Grantor's business.
4. New Trademarks. Grantor represents and warrants that the Trademarks and Licenses listed on Schedules A and B, respectively, include all of the trademarks, trademark registrations, trademark applications, trade names (used within the last three years), service marks, service mark registrations, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks and service mark applications now owned or held by Grantor. If, prior to the termination of this Agreement, Grantor shall (i) obtain rights to any new trademarks, trademark registrations, trademark applications (except intent-to-use applications), trade names, service marks, service mark registrations, service mark applications or license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks or service mark applications or (ii) become entitled to the benefit of any trademark, trademark registration, trademark application (except intent-to-use applications), trade name, service mark, service mark registration or service mark application, the provisions of Section 2 shall automatically apply thereto and Grantor shall give to Agent prompt written notice thereof. Grantor hereby authorizes Agent to modify this Agreement by (a) amending Schedules A or B, as the case may be, to include any future trademarks, trademark registrations, trademark applications, trade names, service marks, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, service marks, service mark registrations, service mark applications and trade names that are Trademarks or Licenses under Section 2, or under this Section 4, and (b) filing, in addition to and not in substitution for, this Agreement, a duplicate original of this Agreement containing on Schedules A or B thereto, as the case may be, such future trademarks, trademark applications, trade names, service marks, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, service marks, registered service marks, service mark applications and trade names which are Trademarks or Licenses under Section 2 or this Section 4.

5. Royalties. Grantor hereby agrees that the use by Agent of the Trademarks and Licenses as authorized pursuant to Section 11 shall be, to the extent permitted by applicable law, co-extensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Agent to Grantor.
6. Nature and Continuation of Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Credit Agreement terminated in accordance with its terms. At such time, the rights, liens and security interests granted to Agent hereunder shall also terminate and Agent shall promptly deliver to Grantor all such documents and instruments as may reasonably be necessary to terminate the Liens created pursuant to this Agreement and to evidence such termination, including, without limitation, the rights granted under Section 21.
7. Further Assignments and Security Interests. From and after the occurrence and during the continuance of an Event of Default, and subject to the terms of the Credit Agreement, Grantor agrees that Agent or a conservator appointed by Agent, shall have the right to establish such reasonable additional product quality controls as Agent or such conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks. Grantor agrees (i) except as provided in the Security Agreement, not to sell or assign its respective interests in, or grant any license not in the ordinary course of business under, the Trademarks or the Licenses without the prior written consent of Agent, such consent not to be unreasonably withheld, (ii) use reasonable efforts to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof, and (iii) not to change the quality of such products in any material adverse respect without the prior written consent of Agent, such consent not to be unreasonably withheld.
8. Duties of Grantor. Grantor shall have the duty, to the extent desirable in the normal conduct of Grantor's business and consistent with Grantor's current business practices (i) to use reasonable efforts to prosecute diligently any trademark applications or service mark applications that are part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, (ii) to make applications for trademarks and service marks as Grantor deems appropriate, and (iii) to take reasonable steps to preserve and maintain all of Grantor's rights in the trademark applications, service mark applications and trademark and service mark registrations that are part of the Trademarks. Any expenses incurred in connection with the foregoing shall be borne by Grantor.

Grantor shall not abandon any material trademark or service mark which is the subject of a registered trademark, service mark or application therefor and which is or shall be necessary or economically desirable, in the Grantor's reasonable judgment, in the operation of the Grantor's business. Grantor agrees to retain an experienced trademark attorney for the filing and prosecution of all such applications and other proceedings. Agent shall not have any duty with respect to the Trademarks. Without limiting the generality of the foregoing, Agent shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks and Licenses against any other parties, but may do so at its option during the continuance of an Event of Default, and all reasonable expenses incurred in connection therewith shall be for the sole account of Grantor and added to the Obligations secured hereby.

9. Agent's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, and subject to the terms of the Credit Agreement, Agent shall have the right, but shall not be obligated, to bring suit to enforce the Trademarks and the Licenses and, if Agent shall commence any such suit, Grantor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents reasonably required by Agent in aid of such enforcement. Grantor shall, upon demand, promptly reimburse and indemnify Agent for all reasonable costs and expenses incurred by Agent in the exercise of its rights under this Section 9 (including, without limitation, all reasonable attorneys' and paralegals' fees). If, for any reason whatsoever, Agent is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby.
10. Waivers. No course of dealing between Grantor and Agent, and no failure to exercise or delay in exercising on the part of Agent any right, power or privilege hereunder or under the Credit Agreement shall operate as a waiver of any of Agent's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder or under the Credit Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
11. Agent's Exercise of Rights and Remedies Upon Event of Default. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, Agent may exercise any of the rights and remedies provided in this Agreement, the Credit Agreement, or any other agreement executed in connection therewith. Without limiting the generality of the foregoing, Grantor acknowledges and agrees that (i) the Trademarks and the Licenses comprise a portion of the Collateral and Agent shall have the right to exercise its rights under the Credit Agreement with respect to the Trademarks and the Licenses to the same extent as with respect to all other

items of Collateral described therein, and (ii) from and after the occurrence and during the continuance of an Event of Default, Agent or its nominee may use the Trademarks and the Licenses to complete the manufacture of, assemble, package, distribute, prepare for sale and sell the Inventory, or otherwise in connection with the conduct of Grantor's business.

12. Authority of Agent. Grantor acknowledges that the rights and responsibilities of Agent under this Agreement with respect to any action taken by Agent or the exercise or non-exercise by Agent of any right or remedy provided for herein or resulting or arising out of this Agreement shall, as between Agent and Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between Agent and Grantor, Agent shall be conclusively presumed to be acting as agent for Lenders with full and valid authority so to act or refrain from acting, and Grantor shall be under no obligation, or entitlement, to make any inquiry respecting such authority.
13. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.
14. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 4 hereof or by a writing signed by all the parties hereto.
15. Cumulative Remedies; Power of Attorney. All of Agent's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Grantor hereby irrevocably appoints Agent as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise to carry out the acts described below. Subject to the terms of the Credit Agreement, upon the occurrence and during the continuance of an Event of Default and the giving by Agent of written notice to Grantor of Agent's intention to enforce its rights and claims against Grantor, Grantor hereby authorizes Agent to, in its sole discretion (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Trademarks and the Licenses, (ii) take any other actions with respect to the Trademarks and the Licenses as Agent deems is in the best interest of Agent and Lenders, (iii) grant or issue any exclusive or nonexclusive license under the

Trademarks to anyone on commercially reasonable terms, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone on commercially reasonable terms. Agent shall take no action pursuant to subsection (i), (ii), (iii) or (iv) of this Section 15 without taking like action with respect to the entire goodwill of Grantor's business connected with the use of, and symbolized by, such Trademarks. Grantor hereby ratifies all actions that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement shall have been terminated pursuant to Section 6. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Credit Agreement, but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located or deemed located.

16. Binding Effect; Benefits. This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of Agent and its nominees, successors and assigns as permitted by the Credit Agreement. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor; provided, however that Grantor shall not voluntarily assign its obligations hereunder without the prior written consent of Agent.
17. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (as distinguished from the conflicts of law provisions) and decisions of the State of Illinois.
18. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Credit Agreement.
19. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.
20. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.
21. Right to Record Security Interest. Agent shall have the right, but not the obligation, at the expense of Grantor, to record this Agreement in the United States Patent and Trademark Office and with such other recording



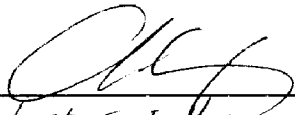
authorities deemed reasonable and proper by Agent, and Agent shall advise Grantor of such recordings. Upon satisfaction in full of the Obligations and termination of the Credit Agreement in accordance with its terms, Grantor shall have the right to effect the recording of such satisfaction or termination at the expense of Grantor in the United States Patent and Trademark Office and with such other recording authorities deemed reasonable and proper by Grantor. Agent and Grantor shall promptly cooperate to effect all such recordings hereunder.

**[SIGNATURE PAGE FOLLOWS]**

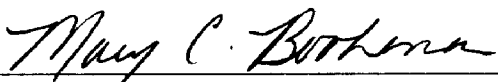
*(Signature Page to Trademark and License Security Agreement)*

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

**PACIFIC CYCLE, LLC**, a Delaware limited liability company

By:   
Name: Christopher J. Henry  
Title: CEO

**GMAC BUSINESS CREDIT, LLC**, a Delaware limited liability company, as Agent for the Lenders

By:   
Name: Mary C. Bakrop  
Title: Director

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK        )

The foregoing TRADEMARK AND LICENSE SECURITY AGREEMENT was executed and acknowledged before me this 25<sup>th</sup> day of September, 2001, by Christopher Horning, personally known to me to be the CEO of PACIFIC CYCLE, LLC, a Delaware limited liability company, on behalf of such entity.

Julia A. Stephens  
Notary Public

My commission expires: 2/24/04

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK        )

The foregoing TRADEMARK AND LICENSE SECURITY AGREEMENT was executed and acknowledged before me this 20<sup>th</sup> day of September, 2001, by Mary Burkman, personally known to me to be the Director of GMAC BUSINESS CREDIT, LLC, a Delaware limited liability company, on behalf of such entity.

Julia A. Stephens  
Notary Public

My commission expires: 2/24/04