

06-03-1998

U.S. DEPARTMENT OF COMMERCE



EET

Patent and Trademark Office
Docket No. 29686-31-GEC

100726396

To the Commissioner of Patents and Trademarks: Please record the attached original documents or copy these if

MRP 5-21-98

1. Name of conveying party(ies):
GT BICYCLES, INC.

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

A Delaware corporation

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

3. Nature of conveyance:

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

Execution Date: April 29, 1998

2. Name and address of receiving party(ies)

Name: BANKAMERICA BUSINESS CREDIT, INC.
 Internal Address: Suite 900
 Street Address: 55 South Lake Avenue
 City: Pasadena, State: CA ZIP: 91101

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

Additional name(s) & address(es) attached? Yes No

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

If this document is being filed together with a new application, the execution date of the application is:

A. Trademark Application No.(s)

See Exhibit A

B. Registration No.(s)

See Exhibit A

Additional numbers attached? Yes No

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

Gary E. Cann
 Morrison & Foerster LLP
 425 Market Street
 San Francisco, California 94105-2482

6. Total number of applications and trademark registrations involved: 38

7. Total fee (37 C.F.R. § 3.41): \$965.00

- Enclosed
- Authorized to be charged to deposit account, referencing Attorney Docket 29686-31-GEC

8. Deposit account number: 03-1952

The Commissioner is hereby authorized to charge any fees under 37 C.F.R. § 1.21 which may be required by this paper, or to credit any overpayment to Deposit Account No. 03-1952.

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.

Name: Gary E. Cann

Gary E. Cann
Signature

5/18/98
Date

Total number of pages comprising cover sheet, attachments and document: 17

06/02/1998 DCDATES 00000127 1553648

01 FC:481 40.00 DP
 02 FC:482 925.00 DP

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

sf-510212

TRADEMARK
REEL: 1735 FRAME: 0339

EXHIBIT A
TRADEMARKS

Trademark Registration No.	Description	Issued	Renewal
1,553,648	Auburn	04/23/90	04/26/2000
1,563,269	Crossover	10/31/89	10/31/2009
1,832,703	Cycle Design (Block letters)	04/26/94	04/26/2004
1,859,145	Cycle Design (Stylized)	10/18/94	10/18/2004
1,680,245	Cycle Design CD and Design	03/24/92	03/24/2002
1,433,766	Drain Pipe and Design	03/24/87	03/27/2007
1,582,622	Dyno (Stylized Letters)	02/13/90	02/13/2000
1,447,655	Dyno Boy	09/02/94	07/14/97
1,516,316	GT	12/13/88	12/13/2008
1,683,721	GT All Terra and Design	04/21/92	04/21/2002
2,0505,520	GT Bicycles plus Design (Ltrhd Only)	04/08/97	04/08/2007
1,818,446	GT Bicycles plus Design	01/25/94	01/25/2004
1,345,992	GT BMX and Design	07/02/85	07/02/2005
1,567,013	GT Triple Triange and Design	11/21/89	11/21/99
1,987,666	Gearheads (Word Only)	07/16/96	07/16/2001
1,571,759	Gelcel and Design	12/19/89	12/19/99
1,774,659	Groove Tube	06/01/93	06/01/2003
1,994,147	HammerDown	08/13/96	08/13/2006
1,573,225	Hybrid	12/26/89	12/26/99
1,688,959	Mt. Shasta	05/26/92	05/26/2003 (Will allow to expire)
1,852,340	Powerlite	09/06/94	09/06/2004

Trademark Registration No.	Description	Issued	Renewal
1,970,735	Performer	04/30/96	04/30/2006
1,645,618	Riteway and Design	05/21/91	05/21/2001
1,320,570	Robinson and Design	02/19/85	02/19/2005
1,109,960	Sanwa	Unknown	12/26/98
2,016,941	SPIN (Word Only)	11/19/96	11/19/2006
1,674,484	TCP Total Concept Plan	02/04/92	02/04/2002
1,357,921	Timberlin	Unknown	09/03/2005
1,884,831	Timberline	03/21/95	03/21/2005
1,218,337	Traker	Unknown	11/30/2002
2,008,647	Vertigo	08/19/97	08/19/2007

PENDING U.S. TRADEMARKS

Trademark Application No.	Description	Issued	Renewal
75/273,586	Be The Engine	04/97	Applied for
75/243,030	Bicycle Air Show	02/18/97	Applied for
75/394,132	BMX-Treme	11/21/97	In process
75/336,388	GT All Terra (Block Letters)	08/05/97	Applied for
75/449,741	I-Drive	03/13/98	Applied for
75/394,410	Monster-X	11/21/97	In process
75/257,131	Streamline	03/14/97	In process

EXPIRED/ABANDONED U.S. TRADEMARKS

Trademark Registration No.	Description	Issued	Renewal
	Discovery (Word only)	Abandoned 1994	
	Duo Cycle (Stylized letters)	Abandoned 1993	
	Outpak	Sold 1994	
	Passage	Expired 1993	
	Sonora (Word only)	Abandoned 1994	

CALIFORNIA TRADEMARKS

Trademark Registration No.	Description	Issued	Renewal
0087391	Auburn	04/12/38	04/12/98
0094470	Duo Cycle and Design	07/26/91	07/26/2001
0077783	Dyno	07/10/85	07/10/2005
0095486	GT Bicycles and Design	01/29/92	01/29/2002
0090347	Hybrid and Design	08/25/89	08/25/99
0093402	Powerlite	12/18/90	12/18/2000
0065591	RRP and Design	02/24/82	(No copy of documents in our files)

EXPIRED/ABANDONED CALIFORNIA TRADEMARKS

Trademark Registration No.	Description	Issued	Renewal
	GT BMX & Design	1993	
	Robinson and Design	Expired	

Trademark Registration No.	Description	Issued	Renewal
		01/01/92	

FOREIGN TRADEMARKS

Trademark Registration No.	Description	Issued	Renewal
1,868,139 (Cls 12)	GTA (Argentina)	Pending	
1,868,140 (Cls 25)	GTA (Argentina)	Pending	
140,409	GTA (Australia)	02/19/92	02/19/2002
763,737	GTA (Benelux)	05/15/91	05/15/2001
817433040 (Cls 60)	GTA (Brazil)	04/25/95	04/25/2005
817650873 (Cls 42) (Commercialization of goods)	GTA (Brazil)	12/13/93	Appealing Against Opposition
438,411	GTA (Canada) - clothing only	01/27/95	01/27/2015
233,422 (Cls 12)	GTA (Chile)	Pending - appealing against opposition	
233,423 (Cls 25)	GTA (Chile)	11/17/97	11/17/2007
17516 (Cls 12)	GTA (Columbia)	04/28/94	04/28/2004
195,499 (Cls 16)	GTA (Columbia)	03/19/97	03/19/2007
17517 (Cls 25)	GTA (Columbia)	04/28/94	04/28/2004
Unknown	GTA (Denmark)	03/97	Applied for
1,651,360	GTA (France)	02/21/91	02/21/2001
2,027,743	GTA (Germany)	01/11/93	05/23/2001
00623551 (Cls 12)	GTA (Italy)	06/14/94	05/17/2001
2,694,728	GTA (Japan)	09/30/94	09/30/2004
412,802	GTA (Mexico)	11/26/91	11/26/2001
079,654 (Cls 12)	GTA (Panama)	02/16/96	10/31/2005

Trademark Registration No.	Description	Issued	Renewal
079,657 (Cls 25)	GTA (Panama)	02/16/96	02/16/2006
165,958 (Cls 25)	GTA (Paraguay)	11/19/93	11/19/2003
176,057 (Cls 12)	GTA (Paraguay)	03/23/95	03/23/2005
1,703,941 (Cls 12)	GTA (Spain)	05/04/95	05/27/2002
1,703,942 (Cls 25)	GTA (Spain)	05/04/95	05/27/2002
389,923	GTA (Switzerland)	05/14/91	05/14/2011
1,464,384	GTA (United Kingdom)	05/16/91	05/16/98 (Renewing)
1,570,367	GTA & Device (United Kingdom) (GT only acceptance)	05/04/94	05/04/2001
Unknown	GTA (Uruguay)	Pending transfer from Broni, S.A. (No action since 12/95)	
323-93 (Cls 12)	GTA (Venezuela)	Will pass to registration 3/97	
324-93 (Cls 25)	GTA (Venezuela)	Will pass to registration 3/97	
<u>"GT" Mark Only</u>			
1,570,367 (Cls 12)	GTA Only Acceptance (United Kingdom)	Pending	
UA 04 132 1997	GTA (Denmark)	10/03/97	10/03/2007
0005 34065	GTA (Euro Community)	05/13/97	Pending
<u>GT BMX:</u>			
A403,140 (Cls 12)	GT BMX (Australia)	09/13/83	02/02/2005
A403,139 (Cls 25)	GT BMX (Australia)	09/13/83	02/02/2005
395,632	GT BMX (Benelux)	01/17/84	01/17/2004
322,523	GT BMX (Canada)	01/09/87	01/09/2007
94/058.693 (Cls 12)	GT BMX - New '95 Design (Colombia)	03/95	In process

Trademark Registration No.	Description	Issued	Renewal
94/058.698 (Cls 16)	GT BMX - New '95 Design (Colombia)	03/26/96	03/26/2006
Unknown	GT BMX (Denmark))	03/97	Applied for
1,260,257	GT BMX (France)	02/03/93	02/09/2004
1,087,401/ 12	GT BMX (Germany)	02/09/94	02/09/2004
39406583.2	GT BMX - New '95 Design (Germany)	12/14/94	Fighting opposition
464,541	GT BMX (Italy)	08/01/85	08/01/2005
2,694,727	GT BMX (Japan)	09/30/94	09/30/2004
412,801	GT BMX (Mexico)	11/26/91	11/26/2001
84/0351 (Cls 12)	GT BMX (South Africa)	01/18/84	01/18/2004
1,111,359	GT BMX (Spain)	05/05/88	05/05/98
344,157	GT BMX (Switzerland)	08/20/85	08/20/2005
B1211971	GT BMX (United Kingdom)	03/26/86	01/28/2005
<u>GT BICYCLES (plus Wing Design):</u>			
332.101 (Cls 12)	GT Bicycles w/Wings (Chile)	01/19/96	Waiting on papers
332.102 (Cls 25)	GT Bicycles w/Wings (Chile)	11/18/96	11/18/2006
Vr04.133 1997	GT Bicycles w/Wings (Denmark)	10/03/97	10/03/2007
000534024	GT Bicycles & Design (Euro Community)	05/13/97	In process
39406581.6	GT Bicycles w/Wings (Germany)	12/14/94	Waiting on papers
412,804	GT Bicycles w/Wings (Mexico)	11/26/91	11/26/2001
078072	GT Bicycles w/Wings (Panama)	10/31/95	10/31/2005
<u>GT BICYCLES (without Wings):</u>			
39406584.0	GT Bicycles w/o Wings <i>for letterhead only</i> (Germany)	12/14/94	Waiting on papers
167,871	GT Bicycles w/o Wings (Mexico)		In process

Trademark Registration No.	Description	Issued	Renewal
<u>All GT Terra:</u>			
437,849	All GT Terra (Canada)	12/30/94	12/30/2009
39406582.4	All GT Terra (Germany)	12/14/94	Waiting on papers
<u>OTHER AUSTRALIAN TRADEMARKS:</u>			
710169 (Cls 12/16)	Powerlite	06/05/96	06/05/2006
<u>OTHER CANADIAN TRADEMARKS:</u>			
391,880	Dyno (Stylized)	12/20/91	12/20/2006
413,295	Riteway	06/11/93	06/11/2008
<u>OTHER COLOMBIAN TRADEMARKS:</u>			
94/058,555 (Cls 16)	Auburn	12/27/94	06/16/2005
94/058,697 (Cls 12)	Auburn	12/28/94	06/16/2005
94/058,554 (Cls 12)	Dyno	12/12/94	Fighting opposition
94/058,692 (Cls 16)	Dyno	12/28/94	12/28/2004
94/058,694 (Cls 25)	Dyno	12/28/94	Abandoned 6/97
94/058.695 (Cls 12)	Powerlite	11/24/95	11/24/2005
94/058.699 (Cls 16)	Powerlite	06/16/95	06/16/2005
<u>OTHER EUROPEAN FILINGS:</u>			
000562520	Be The Engine (word only)	07/97	In Process
<u>OTHER FRENCH REGISTRATIONS:</u>			
1,649,501	Avalanche	03/12/91	03/12/2001
1,647,824	D & Dyno (Stylized)	03/04/91	03/04/2001
1,647,825	Dyno (Stylized)	03/04/91	03/04/2001
1,649,507	Karakoram	03/12/91	03/12/2001
1,649,506	Outpost	03/12/91	03/12/2001
1,647,826	Robinson	03/04/91	03/04/2001

Trademark Registration No.	Description	Issued	Renewal
1,649,505	Timberline	03/12/91	03/12/2001
1,649,504	Xizang	03/12/91	03/12/2001
1,649,508	Zaskar	03/12/91	03/12/2001
<u>OTHER GERMAN TRADEMARKS:</u>			
M9600613.7	Industrial Designs (covers Zaskar, Zaskar w/12" frame, LTS, DH LTS, TP LTS, Avalanche, Pantera, Bravado, Karakoram, Backwoods, Tequesta, Talera, Dyno Coaster, Dyno Glide - Mens & Ladies, GT Speed Series XL)	01/23/96	Waiting on papers
<u>OTHER JAPANESE TRADEMARKS:</u>			
4009391 (Cls 12)	Powerlite	06/06/97	06/06/2007
Unknown (Cls 28)	Robinson	10/11/95	Abandon 6/97
<u>OTHER MEXICAN TRADEMARKS:</u>			
412,803	Dyno (plus Design)	11/26/91	11/26/2001
451,425 (Cls 12)	Powerlite (plus Design)	05/17/93	05/17/2003
400,198	Riteway (plus Design)	08/31/90	08/31/2000
451,426	Robinson (plus Design)	05/17/93	05/17/2003

EXPIRED/ABANDONED FOREIGN TRADEMARKS

Trademark Registration No.	Description	Issued	Renewal
	Karakoram (Japan)	1991	

SUPPLEMENTAL SECURITY AGREEMENT
(Trademarks)

THIS SUPPLEMENTAL SECURITY AGREEMENT (this "Agreement") is made and dated as of this 29th day of April, 1998 by and between GT BICYCLES, INC., a Delaware corporation, with its chief executive office at 2001 East Dyer Road, Santa Ana, California 92705 (the "Grantor") and BANKAMERICA BUSINESS CREDIT, INC., a Delaware corporation, as a lender and as agent (in such latter capacity, the "Agent") for the Persons from time to time party to the Loan Agreement (as defined below) as "Lenders," and ratably for the benefit of each entity or person who is or at any time becomes a holder of or is otherwise entitled to enforce, any of the Obligations (as defined in the Loan Agreement).

RECITALS

A. Reference is made to that certain Loan and Security Agreement dated as of even date herewith (as such agreement may be amended, modified or supplemented from time to time, the "Loan Agreement") among the Grantor, GT Bicycles California, Inc. (the "Borrower"), Riteway Products East, Inc., Riteway Products North Central, Inc., Rite-Way Distributors Central, Inc., Rite-Way Distributors, Inc. (together with the Grantor and the Borrower, the "Loan Parties"), the Persons from time to time party thereto as "Lenders," and the Agent. Capitalized terms used herein without definition have the meanings assigned thereto in the Loan Agreement.

B. Pursuant to the Loan Agreement the Grantor has granted to the Agent a first priority security interest in certain assets of the Grantor, including, without limitation, all of the Grantor's now owned and hereafter arising or acquired rights to: goodwill, licenses, franchises, permits, patents, patent rights, copyrights, works which are the subject matter of copyrights, trademarks, service marks, trade names, trade styles, patent, trademark and service mark applications, and all licenses and rights related to any of the foregoing, and all other rights under any of the foregoing, all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing, and all rights to sue for past, present and future infringement of any of the foregoing.

C. The parties hereto desire to supplement the Loan Agreement as it relates to certain of such intellectual property consisting generally of trademarks and to create hereby a document appropriate for recordation in the Patent and Trademark Office of the United States (the "PTO").

AGREEMENT

In consideration of the above Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows.

1. Confirmation of Grant of Security Interest. The Grantor hereby confirms the grant of the security interest in, lien on, assignment of, and right of set off against the Collateral (as such term is defined in the Loan Agreement) and acknowledges that the Collateral described

therein includes, without limitation, all of the Grantor's right, title and interest in the following (the "Marks"):

(a) All now existing or hereafter created or acquired, trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles and other source, product and business identifiers pertaining to the products, services and business of the Grantor, including, without limitation, the trademarks specifically described on Exhibit A attached hereto, as the same may be amended or replaced from time to time with the consent of the Agent;

(b) All now existing and hereafter arising registrations and applications for registration relating to any of the foregoing, all renewals and extensions thereof throughout the world in perpetuity, and all rights to make such applications and to renew and extend the same;

(c) All now existing and hereafter arising rights and licenses to make, have made, use and/or sell any items disclosed and claimed by any of the foregoing;

(d) All now existing and hereafter arising rights (but not any obligation) to register claims under any state, federal or foreign trademark law or regulation;

(e) All now existing and hereafter arising rights, claims and interests under licensing or other contracts pertaining to any of the foregoing;

(f) All now existing and hereafter arising documents, instruments and agreements which reveal the name and address of sources of supply, distribution methods and all terms of purchase, rental, license or use and delivery for all materials, products and components used in connection with any of the foregoing;

(g) All now existing and hereafter arising specifications as to and quality control manuals used in connection with the operations conducted under the name of or in connection with any of the foregoing;

(h) All now existing and hereafter arising goodwill associated with any of the foregoing;

(i) All now existing and hereafter arising rights (but not any obligation) to sue or bring opposition or cancellation proceedings in the name of the Grantor or the Agent for past, present and future infringements of any of the foregoing; and

(j) All products and proceeds of any of the foregoing.

2. Restrictions on Future Agreements. The Grantor agrees that until the Obligations have been satisfied in full and the Commitments have been terminated, except as permitted by the Loan Agreement, the Grantor shall not, without the Agent's prior written consent, abandon any Marks or enter into any agreement, including, without limitation, any license agreement, which is inconsistent with the Grantor's obligations under this Agreement, and the Grantor

further agrees that it will not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would affect the validity or enforcement of the rights of the Agent under this Agreement.

3. New Marks. The Grantor represents and warrants that the Marks listed on Exhibit A constitute all of the Marks now owned by the Grantor and that the Grantor is the sole owner thereof except as noted on Exhibit A. If, before the Obligations have been satisfied in full and the Commitments have been terminated, the Grantor shall (a) obtain rights to any new Marks, or (b) become entitled to the benefit of any Marks, the provisions of this Agreement shall automatically apply thereto and the Grantor shall give to the Agent prompt written notice of any such event. The Grantor hereby authorizes the Agent to modify this Agreement by amending Exhibit A to include any future Marks or any applications or registrations therefor not listed thereon, in which the Grantor has rights under Section 1 hereof or under this Section 3.

4. Royalties; Terms. The Grantor hereby agrees that the Agent's rights in all Marks shall be worldwide and without any liability for royalties or other related charges from the Agent to the Grantor. The term of the Agent's security interest in the Marks shall extend until such time as all of the Obligations have been paid in full and the Commitments have been terminated.

5. Additional Covenants. In addition to all covenants and agreements set forth in the Loan Agreement, the Grantor agrees (a) not to sell or assign the interest in, or grant any license under, the Marks, except in the ordinary course of business and on commercially reasonable terms, without obtaining the prior written consent of the Agent; (b) to maintain all records with respect to the Marks at its address set forth on the first page hereof and not to change the location where such records are maintained without giving the Agent prior written notice thereof; (c) to inform the Agent promptly of any event or circumstance materially adversely affecting the Marks, the value thereof or the Grantor's or the Agent's rights therein or thereto; and (d) to furnish the Agent with current versions of Exhibit A upon request.

6. Duties of the Grantor. The Grantor shall have the duty (a) to prosecute diligently any application for Marks pending as of the date hereof or thereafter until the Obligations have been paid in full and the Commitments have been terminated, (b) to make application on Marks as appropriate in the operation of the Grantor's business, (c) to file and prosecute opposition and cancellation proceedings, and (d) to preserve and maintain all rights in applications for registrations of Marks. Any expenses incurred in connection with such applications shall be borne by the Grantor. The Grantor shall not abandon any right to file an application for a Mark without the consent of the Agent, which consent shall not be unreasonably withheld.

7. The Agent May Perform. If the Grantor fails to perform any agreement contained herein, the Agent, upon written notice to the Grantor, if practicable, may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Agent incurred in connection therewith shall be payable by the Grantor under Section 11 hereof.

8. The Agent's Duties. The powers conferred on the Agent hereunder are solely to protect its interest in the Marks and shall not impose any duty upon the Agent to exercise any such powers. Except for the accounting for moneys actually received by it hereunder, the Agent

shall have no duty as to any of the Marks or of taking any steps to preserve rights against prior parties or any other rights pertaining to any of the Marks but may do so at its option, and all expenses incurred in connection therewith shall be for the sole account of the Grantor and shall be added to the Obligations.

9. Remedies; Agent's Right to Sue. If any Event of Default shall have occurred and be continuing:

(a) The Agent may exercise in respect of the Marks, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party upon default under the Uniform Commercial Code as in effect from time to time in the State of California (the "Code") (whether or not the Code applies to the affected Marks).

(b) The Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Marks, and any licenses thereunder, and, if the Agent shall commence any such suit, the Grantor shall, at the request of the Agent do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such enforcement and the Grantor shall promptly, upon demand, reimburse and indemnify the Agent for all costs and expenses incurred by the Agent in the exercise of its rights under this Section 9. The Grantor shall notify the Agent of any suits it commences to enforce the Marks and shall provide the Agent with copies of any documents reasonably requested by the Agent relating to such suits.

(c) All of the Agent's rights and remedies with respect to the Marks whether established hereby or by the other Loan Documents, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

10. Power of Attorney; Effect on the Loan Agreement. The Grantor hereby authorizes and empowers the Agent to make, constitute and appoint any officer or agent of the Agent as the Grantor's true and lawful attorney-in-fact, with power (but not the obligation) after the occurrence and during the continuance of an Event of Default (a) to endorse the Grantor's name on all applications, documents, papers and instruments necessary or desirable for the Agent in the use of the Marks, (b) to grant or issue an exclusive or nonexclusive license under the Marks to anyone, (c) to assign, pledge, convey or otherwise transfer title in or dispose of the Marks to anyone, and (d) to file any claims or take any action or institute any proceedings which the Agent may deem necessary or desirable for the protection or enforcement of any of the rights of the Agent with respect to any of the Marks. This power of attorney, being coupled with an interest, is irrevocable until the Obligations have been paid in full and the Loan Agreement terminated. The Grantor hereby acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Agent under the Loan Agreement and the Loan Documents but rather is intended to facilitate the exercise of such rights and remedies.

11. Expenses.

(a) The Grantor agrees to indemnify the Agent from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting solely

from the Agent's gross negligence or willful misconduct. Such agreement of the Grantor shall survive the payment in full of the Obligations and the termination of the Commitments.

(b) The Grantor will, upon written demand, pay to the Agent the amount of any and all costs and expenses, including Attorneys Costs and the fees and disbursements of any experts and agents, as provided in Section 15.7 of the Loan Agreement.

12. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Grantor herefrom shall in any event be effective unless the same shall be in writing and signed by the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and 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 of this Agreement in any other jurisdiction.

14. Notices. All notices and other communications provided for hereunder shall be given in the manner and to the addresses set forth in Section 15.8 of the Loan Agreement.

15. Continuing Security Interest; Termination.

(a) The Agent's security interest in the Marks shall (a) remain in full force and effect until payment in full of the Obligations and the termination of the Commitments, (b) be binding upon the Grantor, its successors and assigns, and (c) inure, together with the rights and remedies of the Agent hereunder, to the benefit of the Agent and its successors and assigns, subject to the terms and conditions of the Loan Agreement. The Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefor.

(b) Upon the payment in full of the Obligations and the termination of the Commitments, the Agent's security interest in the Marks shall terminate and all rights to the Marks shall revert to the Grantor. The Agent will, at the Grantor's expense, execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

16. Relationship to Loan Agreement. The Marks shall constitute Collateral for all purposes of the Loan Agreement and the other Loan Documents and the Agent shall have all rights, powers and remedies with respect to the Marks that it has with respect to other Collateral. Reference is hereby made to the Loan Agreement, the terms and conditions of which are incorporated herein by this reference, including, without limitation, the provisions relating to the choice of law, consent to jurisdiction and waiver of jury trial.

17. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute one agreement.

EXECUTED as of the date first written above.

GT BICYCLES, INC., a Delaware corporation

By: Charles Cimitik
Name: Charles Cimitik
Title: CFO

BANKAMERICA BUSINESS CREDIT, INC.,
a Delaware corporation, as Agent

By: Joyce White
Name: Joyce White
Title: EV

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In the application of:

GT Bicycles, Inc.

CERTIFICATE OF MAILING BY FIRST CLASS MAIL


Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Dear Sir:

I hereby certify that the attached Recordation Form Cover Sheet Trademarks Only; Supplemental Security Agreement (Trademarks); check in the amount of \$965.00, Certificate of Mailing by First Class Mail, and receipt verification postcard are being deposited with the United States Postal Service as first class mail in an envelope addressed to: Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231, on May 18, 1998.

Respectfully submitted,

By:


Joel Bischoff