

10-01-1998

COVER SHEET
FILE

OMB No. 0651-0011 (exp. 4/98)

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To the Honorable Commissioner

attached original document and copy thereof.

1. Name of conveying party(ies):

Dynagear, Inc.

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

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

3. Nature of conveyance:

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

Execution Date: 06/30/98

2. Name and address of receiving party(ies)

Name: LaSalle National Bank, as Agent

Internal Address:

Street Address: 135 S. LaSalle Street

City: Chicago State: IL Zip: 60603

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

If assignee is not domiciled in the United States, a domestic 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 patent number(s):

A. Trademark Application No.(s)

See attached Schedule A

B. Trademark Registration No.(s)

See attached Schedule A

Additional numbers attached? Yes No

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

Name: Meredith A. Parsons

Internal Address: Suite 5800

Street Address: Latham & Watkins
233 S. Wacker Drive

City: Chicago State: IL ZIP: 60606

6. Total number of applications and registrations involved: 8

7. Total fee (37 CFR 3.41) \$ 215

Enclosed

Authorized to be charged to deposit

8. Deposit account number:

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

07/09/1998 SSMITH 00000122 1983648

DO NOT USE THIS SPACE

01 PCT481 40.00 DP
02 BCT481 175.00 DP

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.

Meredith A. Parsons
Name of Person Signing

Signature

07/08/98
Date

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

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

SCHEDULE A

TRADEMARK REGISTRATIONS

Mark	U.S. Registration Number	Registration Date
Badger	1,983,648	July 7, 1996
Dynagear, Inc.	2,048,666	April 1, 1997
Stylized 'D' Design	2,068,437	June 10, 1997
Stiffback	1,995,236	August 20, 1996
Dyna-Roll	2,113,321	November 18, 1997
DynaDrive	2,054,006	April 22, 1998

TRADEMARK APPLICATIONS

Mark	U.S. Application Number	Application Date
Manley	75/261,526	March 21, 1997
The Full Line Manufacturer	74/705,128	July 24, 1995

COMMON LAW MARKS

Dynagear

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "**Security Agreement**") made as of this 30 day of June, 1998, by and between Dynagear, Inc., an Illinois corporation ("**Grantor**") in favor of LaSalle National Bank with an office at 135 South LaSalle Street, Suite 425, Chicago, Illinois 60603, as agent ("**Agent**") for itself and all "**Banks**" (as defined in the Loan Agreement referred to below) ("**Banks**");

W I T N E S S E T H

WHEREAS, Grantor, Global Gear, L.P., an Illinois limited partnership ("**Global**"), Ertel Manufacturing Corporation, an Indiana corporation ("**Ertel**") (Grantor, Global and Ertel, collectively, "**Borrowers**"), Banks and Agent are parties to that certain Loan and Security Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "**Loan Agreement**") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "**Financing Agreements**"), which Financing Agreements provide (i) for Agent and the Banks to, from time to time, extend credit to or for the account of Borrowers and (ii) for the grant by Grantor to Agent and the Banks of a security interest in certain of Grantor's assets, including, without limitation, its trademarks and trademark applications;

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

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of all Liabilities, including, without limitation, Grantor's obligation as a Guarantor under any Guaranty, each Grantor hereby grants to Agent, and hereby reaffirms its prior grant pursuant to the Financing Agreements of, a continuing security interest in Grantor's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**"); all rights corresponding to any of the

foregoing throughout the world and the goodwill of the Grantor's business connected with the use of and symbolized by the Trademarks.

3. Warranties and Representations. Grantor warrants and represents to Agent that:

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor, to the best of Grantor's knowledge, has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) To the best of Grantor's knowledge, Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by Grantor not to sue third persons;

(iii) Grantor has not received any notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iv) Grantor has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Grantor agrees that until all of the Liabilities shall have been satisfied in full and the Financing Agreements shall have been terminated, Grantor shall not, without the prior written consent of Agent, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Agent under this Security Agreement.

5. New Trademarks. Grantor represents and warrants that, based on a diligent investigation by Grantor, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Grantor. If, before Liabilities shall have been satisfied in full or before the Financing Agreements have been terminated, Grantor shall (i) become aware of any existing Trademarks of which Grantor has not previously informed Agent, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Grantor shall give to Agent prompt written notice thereof. Grantor hereby authorizes Agent to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of the Security Agreements granted herein shall extend until the payment in full of all of the Liabilities and the termination of the Financing Agreements. Grantor agree that upon the occurrence of an Event of Default, the use by Agent of all Trademarks shall be without any liability for royalties or other related charges from Agent to Grantor.

7. Product Quality. Grantor agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence of an Event of Default, Grantor agrees that

Agent, or a conservator appointed by Agent, shall have the right to establish such additional product quality controls as Agent, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of all of the Liabilities and termination of the Financing Agreements, Agent shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Grantor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Agent or any Bank in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Grantor and until paid shall constitute Liabilities.

10. Duties of Grantor. Grantor shall have the duty (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until all Liabilities shall have been paid in full and the Financing Agreements have been terminated, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with any Liabilities under this Section 10 shall be borne by Grantor.

11. Agent's Right to Sue. After an Event of Default, Agent shall have the right, but shall in no way be obligated, to bring suit on behalf of itself and the Banks to enforce the Trademarks 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 required by Agent in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Agent for all costs and expenses incurred by Agent in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Grantor and Agent or any Bank, nor any failure to exercise, nor any delay in exercising, on the part of Agent, any right, power or privilege hereunder or under the Financing Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. Severability. The provisions of this Security 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 in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements.

All of Agent's and/or any Bank's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Agent upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Agent deems to be in the best interest of Agent, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Liabilities shall have been paid in full and the Financing Agreements have been terminated. Grantor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent and/or any Bank under the Financing Agreements 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 Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Grantor and its respective successors and assigns, and shall inure to the benefit of Agent, its successors, nominees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois (without regard to its conflicts of law principle) and applicable federal law.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Grantor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Agent shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Grantor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements.

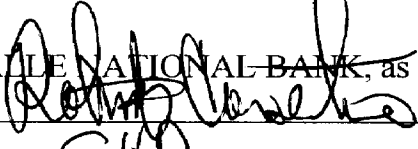
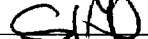
IN WITNESS WHEREOF, Grantor has duly executed this Security Agreement as of the date first written above.

DYNAGEAR, INC.

By 
Its VP Finance

Agreed and Accepted:
As of the Date First Written Above

~~LASALLE NATIONAL BANK~~, as Agent

By: 
Its 

SCHEDULE A

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