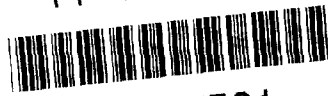


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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): Key Tronic Corporation

2. Name and address of receiving party(ies) Name: The CIT Group/Business Credit, Inc. Internal Address: Attn: Portfolio Manager Street Address: 300 S. Grand Ave., 3rd Floor City: Los Angeles State: CA Zip: 90071

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

3. Nature of conveyance: Security Agreement Execution Date: 8/22/01

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

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 78/057422; 78/057427

B. Trademark Registration No.(s) 1393075; 1407469; 1258416; 1024564; 1254411; 1417276; 1417277; 1417278; 1417279; 1704628

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Gary D. Samson, Esq. Internal Address: Orrick, Herrington & Sutcliffe LLP Street Address: 777 S. Figueroa Street Suite 3200 City: Los Angeles State: CA Zip: 90017

6. Total number of applications and registrations involved: 17 7. Total fee (37 CFR 3.41): \$440.00 Enclosed Authorized to be charged to deposit account 8. Deposit account number:

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. Joel Kabakoff Signature Date: November 14, 2001

11-19-01 11-20/2001 BT0111 00000011 78057422 01 FC:481 02 FC:482 40.00 OP 400.00 OP

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

TRADEMARK REEL: 002396 FRAME: 0754

Conveying Party: Key Tronic Corporation  
Receiving Party: The CIT Group/Business Credit, Inc.

**Additional Trademark Numbers**

1417275  
1774619  
1965983  
2008287  
2249620

# GRANT OF SECURITY INTEREST

## TRADEMARKS

THIS GRANT OF SECURITY INTEREST, dated as of August 22, 2001 is executed by KEY TRONIC CORPORATION ("Borrower"), in favor of THE CIT GROUP/BUSINESS CREDIT, INC. ("Lender").

A. Pursuant to a Financing Agreement dated as of the date hereof (the "Financing Agreement") among Borrower and Lender, Lender has agreed to extend certain credit facilities to Borrower upon the terms and subject to the conditions set forth therein.

B. Borrower has adopted, used and is using the trademarks, more particularly described on Schedules 1-A and 1-B annexed hereto as part hereof, which trademarks are registered or subject to an application for registration in the United States Patent and Trademark Office (collectively, the "Trademarks");

C. Borrower has entered into a Security Agreement (Intellectual Property) dated the date hereof (the "Security Agreement") in favor of Lender; and

D. Pursuant to the Security Agreement, Borrower has granted to Lender a security interest in all right, title and interest of Borrower in and to the Trademarks, together with the goodwill of the business symbolized by the Trademarks and the customer lists and records related to the Trademarks and the applications and registrations thereof, and all proceeds thereof, including any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the payment, performance and observance of the Obligations, as defined in the Security Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Borrower does hereby further grant to Lender a security interest in the Collateral to secure the prompt payment, performance and observance of the Obligations.

Borrower does hereby further acknowledge and affirm that the rights and remedies of Lender with respect to the security interest in the Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Lender's address is:

The CIT Group/Business Credit, Inc.  
300 S. Grand Avenue, Third Floor  
Los Angeles, California 90071  
Telecopier No.: (213) 613-2501  
Attention: Portfolio Manager

IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed as of the day and year first above written.

KEY TRONIC CORPORATION

By Ronald F. Klawitter  
Name: Ronald F. Klawitter  
Title: \_\_\_\_\_

II-2

SCHEDULE 1-A TO GRANT OF SECURITY INTEREST

TRADEMARKS

<u>Trademark</u>	<u>Jurisdiction</u>	<u>Reg. Date</u>	<u>Reg. No.</u>
KB 5151	United States	5/13/86	1393075
Key Tronic Professional Series	United States	9/2/86	1407469
KEYTRONIC	United States	11/22/83	1258416
KTC (stylized)	United States	11/11/75	1024564
Screened Contact	United States	10/18/83	1254411
KB 5152/W/L	United States	11/18/86	1417275
KB 5161	United States	11/18/86	1417276
KB 5150	United States	11/18/86	1417277
KB 5149JR	United States	11/18/86	1417278
KB 5153	United States	11/18/86	1417279
KEYMOUSE	United States	8/4/92	1704628
KTC and Design	United States	6/1/93	1774619
KIDTRONIC	United States	4/2/96	1965983
PROTOUCH	United States	10/15/96	2008287
Propeller	United States	6/1/99	2249620

SCHEDULE 1-B TO GRANT OF SECURITY INTEREST

TRADEMARK APPLICATIONS

<u>Title</u>	<u>Jurisdiction</u>	<u>Date Filed</u>	<u>Application No.</u>
KeyTronicEMS, Trust, Commitment, Result etc.	United States	4/27/01	78/057422
K and Design	United States	4/9/01	78/057427

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIF. )  
COUNTY OF LOS ANGELES ) ss.

On Aug 22, 2001, before me, JOYCE E. LAWRENCE  
(Name and Title of Officer)

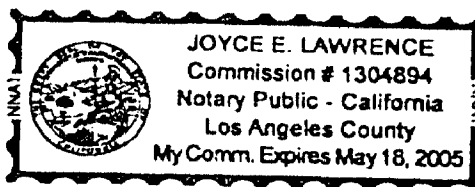
personally appeared RONALD F. KLAWITTER

personally known to me  
-or-

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Joyce E. Lawrence  
Signature Of Notary



OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

- Partner(s)  Limited
- Attorney-In-Fact  General
- Trustee(s)
- Guardian/Conservator
- Other: \_\_\_\_\_

Signer is representing:

Name Of Person(s) Or Entity(ies)  
\_\_\_\_\_  
\_\_\_\_\_

DESCRIPTION OF ATTACHED DOCUMENT

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Title Or Type Of Document

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Number Of Pages

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Date Of Document

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Signer(s) Other Than Named Above