

01-17-2003



Form PTO-1594

(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

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

102340654

1-17-03

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

## 1. Name of conveying party(ies):

1-17-03

AxleTech International IP Holdings, LLC

☐

Individual(s)

☐

Association

☐

General Partnership

☐

Limited Partnership

☐

Corporation-State

☒

Other LLC

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

## 3. Nature of conveyance:

☐

Assignment

☐

Merger

☒

Security Agreement

☐

Change of Name

☐

Other

Execution Date: 12/30/02

## 2. Name and address of receiving party(ies)

Name: LaSalle Business Credit, Inc.

Internal

Address:

Street Address: 135 South LaSalle St, Ste. 425

City: Chicago State: IL Zip: 60603

☐

Individual(s) citizenship

☐

Association

☐

General Partnership

☐

Limited Partnership

☒

Corporation-State Delaware

☐

Other

If assignee is not domiciled in the United States, a domestic

representative 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 registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s) 1183678

Additional number(s) attached ☐ Yes ☒ No

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

Name:

Internal Address:

**RETURN TO:**  
**FEDERAL RESEARCH CORP**1030 15<sup>th</sup> STREET NW

Street Address: SUITE 920

WASHINGTON DC 20005

City: State: Zip:

## 6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 3.41) \$ 40.00

☒

Enclosed

☐

Authorized to be charged to deposit account

## 8. Deposit account number:

DO NOT USE THIS SPACE

## 9. Signature.

Sharon S. Patterson

Name of Person Signing

Sharon S. Patterson

Signature

1/15/03

Date

8

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

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

01/21/2003 6TON11 00000046 1183678

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TRADEMARK  
REEL: 002651 FRAME: 0419

# TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "**Agreement**") made as of this 30 day of DECEMBER, 2002, by AXLETECH INTERNATIONAL IP HOLDINGS, LLC, a Michigan limited liability company ("**Grantor**"), in favor of LASALLE BUSINESS CREDIT, INC., with an office at 135 South LaSalle Street, Suite 425, Chicago, Illinois 60603 ("**Lender**");

## W I T N E S S E T H

WHEREAS, AxleTech International, Inc., a Delaware corporation and an affiliate of Grantor, and Meritor Heavy Vehicle Systems St. Etienne, S.A., a French société anonyme (collectively, the "**Borrowers**") and Lender are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated 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 for Lender to, from time to time, extend credit to or for the accounts of the Borrowers;

WHEREAS, Grantor has executed and delivered to Agent that certain Master Continuing Unconditional Guaranty of even date herewith, pursuant to which Grantor unconditionally guaranteed the payment and performance of the Borrowers' Liabilities to Lender (the "**Guaranty**");

WHEREAS, to secure Grantor's payment and performance of Grantor's obligations and liabilities to Lender under the Guaranty, Grantor has executed that certain Master Security Agreement of even date herewith among Grantor, AxleTech, LLC, a Michigan limited liability company, and AxleTech International Holdings, Inc., a Delaware corporation, in favor of Lender (as the same may be amended or otherwise modified from time to time, the "**Security Agreement**"); and

WHEREAS, pursuant to the terms of the Security Agreement, Grantor has granted to Grantee, for the benefit of Lenders, a security interest in substantially all of the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined below), together with the goodwill of the business symbolized by Grantor's Trademarks, and all products and proceeds thereof, to secure the payment of all amounts owing by Grantor under the Guaranty;

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 agrees 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 the Liabilities, Grantor hereby grants to Lender, 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 Debtor's business connected with the use of and symbolized by the Trademarks.

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

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part (except for any such invalidity, unenforceability or cancellation which could not reasonably be expected to have a Material Adverse Effect), and each such Trademark is presently subsisting;

(ii) 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 (other than Permitted Liens), including without limitation, shop rights and covenants by Grantor not to sue third persons;

(iii) Grantor has no notice of any suits or actions commenced or threatened with reference to any Trademark (except for any such suit or action which could not reasonably be expected to have a Material Adverse Effect); and

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

4. Restrictions on Future Agreements. Grantor agrees that until Borrowers' Liabilities shall have been satisfied in full and the Financing Agreements shall have been

terminated, Grantor shall not, without the prior written consent of Lender, 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 Lender under this 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 Borrowers' 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 Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Agreement above shall automatically apply thereto and Grantor shall give to Lender prompt written notice thereof. Grantor hereby authorizes Lender to modify this Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Agreement shall extend until the payment in full of Borrowers' Liabilities and the termination of the Financing Agreements. Grantor agrees that upon the occurrence and continuance of an Event of Default, the use by Lender of all Trademarks shall be without any liability for royalties or other related charges from Lender 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 Grantor's reasonable business judgment. Upon the occurrence and continuance of an Event of Default, Grantor agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, 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 Agreement. This Agreement is made for collateral purposes only. Upon payment in full of Borrowers' Liabilities and termination of the Financing Agreements, Lender 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 Lender 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, subject in each case to Grantor's reasonable business judgment, (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until Borrowers' 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 Borrowers' Liabilities under this Section 10 shall be borne by Grantor.

11. Lender's Right to Sue. Upon the occurrence and continuance of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Lender shall commence any such suit, Grantor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Grantor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, 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 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 Agreement in any jurisdiction.

14. Modification. This 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 Lender'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 Lender upon the occurrence and continuance of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender 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 Lender in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Lender deems to be in the best interest of Lender, 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 Borrowers'

Liabilities shall have been paid in full and the Financing Agreements have been terminated. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this 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 Agreement shall be binding upon Grantor and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois 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 Lender shall reasonably request from time to time in order to carry out the purpose of this Agreement and agreements set forth herein.

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

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

AXLETECH INTERNATIONAL IP HOLDINGS,  
LLC

By: AxleTech International Holdings, Inc., its sole  
member

By Robert N. Veal  
Title PRESIDENT

Agreed and Accepted  
As of the Date First Written Above

LASALLE BUSINESS CREDIT, INC.

By [Signature]  
Title VICE PRESIDENT

## SCHEDULE A

### TRADEMARK REGISTRATIONS

<u>Trademark Description</u>	<u>Owner</u>	<u>U.S. Serial/Registration No.</u>	<u>Date Registered</u>
Dura-Disc	Meritor Heavy Vehicle Technology, LLC	1,183,678	12/29/81

### TRADEMARK APPLICATIONS

<u>Trademark Application Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
	NONE	