

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Fairfield Manufacturing Company, Inc.		03/17/2004	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Fleet Capital Corporation, as Agent
Street Address:	1 South Wacker Drive
Internal Address:	Ste. 3400
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60606
Entity Type:	CORPORATION: RHODE ISLAND

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Registration Number:	831396	FMC
Registration Number:	949279	TORQUE-HUB
Registration Number:	1324068	TORQUE HUB
Registration Number:	1668232	TORQUE II
Registration Number:	2815487	TORQUE-LOCK
Serial Number:	76563132	EXCEL

CORRESPONDENCE DATA

Fax Number: (312)863-7812
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 312-863-7190
 Email: nathaniel.panek@goldbergekohn.com
 Correspondent Name: Nathaniel Panek
 Address Line 1: 55 E. Monroe Street
 Address Line 2: Ste. 3700
 Address Line 4: Chicago, ILLINOIS 60603

OP \$165.00 831396

TRADEMARK

ATTORNEY DOCKET NUMBER:

2759.149

NAME OF SUBMITTER:

Nathaniel Panek

Total Attachments: 13

source=Fairfield_TM#page1.tif

source=Fairfield_TM#page2.tif

source=Fairfield_TM#page3.tif

source=Fairfield_TM#page4.tif

source=Fairfield_TM#page5.tif

source=Fairfield_TM#page6.tif

source=Fairfield_TM#page7.tif

source=Fairfield_TM#page8.tif

source=Fairfield_TM#page9.tif

source=Fairfield_TM#page10.tif

source=Fairfield_TM#page11.tif

source=Fairfield_TM#page12.tif

source=Fairfield_TM#page13.tif

COPYRIGHT, PATENT, TRADEMARK AND LICENSE MORTGAGE

THIS COPYRIGHT, PATENT, TRADEMARK AND LICENSE MORTGAGE (this "Mortgage") made as of this 17th day of March, 2004, by FAIRFIELD MANUFACTURING COMPANY, INC., a Delaware corporation, having an office at U.S. 52 South, Lafayette, Indiana 47909 ("Mortgagor") in favor of FLEET CAPITAL CORPORATION, a Rhode Island corporation, with an office at One South Wacker Drive, Suite 3400, Chicago, Illinois 60606, as a Lender and as Agent on behalf of itself and the Lenders ("Mortgagee").

W I T N E S S E T H:

WHEREAS, Mortgagor, Mortgagee, and various Lenders are parties to a certain Loan and Security Agreement dated March 17, 2004 (as from time to time amended or otherwise modified, the "Loan Agreement"), and other Loan Documents of even date therewith (collectively with the Loan Agreement, and as each is from time to time amended or otherwise modified, the "Financing Agreements") which Loan Agreement provides, among other things, (i) for Mortgagee and the other Lenders to, from time to time, extend credit to or for the account of Mortgagor and (ii) for the grant by Mortgagor to Mortgagee, on behalf of itself and Lenders, of a security interest in substantially all of Mortgagor's assets, including, without limitation, any and all copyrights, copyright agreements, copyright applications, patents, patent applications, trademarks, trademark applications, trade names, service marks, service mark applications, goodwill and intellectual property licenses of Mortgagor;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, Mortgagor 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. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Mortgage of Copyrights, Patents, Trademarks and Licenses. To secure the complete and timely payment and satisfaction of all of the Obligations, Mortgagor hereby grants to Mortgagee for its own benefit and the benefit of Lenders, a continuing security interest in all of its now existing and hereafter created or acquired:

(i) copyrights, rights and interests in copyrights, works protectable by copyrights, copyright registrations and copyright applications, including, without limitation, the copyright registrations and applications listed on Exhibit A attached hereto and hereby made a part hereof, and all renewals, extensions and continuations of any of the foregoing, all income, royalties, damages and payments now and hereafter due and/or payable under or with

respect to any of the foregoing, including, without limitation, damages and payments for past, present or 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 "Copyrights");

(ii) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions and those patents and patent applications listed on Exhibit B attached hereto and made a part hereof, and all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now and hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present or 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 "Patents");

(iii) trademarks, trademark registrations, trademark applications, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith (other than "intent to use" applications until a verified statement of use is filed with respect to such applications), including, without limitation, the trademarks, trade names, service marks, registrations and applications listed on Exhibit C attached hereto and hereby made a part hereof, and all renewals, extensions and continuations of any of the foregoing, and all income, royalties, damages and payments now and hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present or 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");

(iv) all license agreements between Mortgagor and any other party with respect to any of the Copyrights or any of the Patents or any of the Trademarks or any other copyright, patent, trademark, service mark or any registration or application for registration or any other trade name or tradestyle, whether Mortgagor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit D attached hereto and hereby made a part hereof (all of the foregoing license

agreements and Mortgagor's rights thereunder are referred to collectively as the "Licenses"); and

(v) all rights corresponding to any of the foregoing throughout the world and the goodwill of Mortgagor's business connected with and symbolized by the Trademarks.

Upon the occurrence of an Event of Default, Mortgagee, on behalf of itself and Lenders, shall have the power, to the extent permitted by law, to exercise the rights and remedies of a secured party provided under the Loan Agreement, including without limitation the right to sell the Copyrights, Patents, Trademarks and Licenses.

3. Warranties, Representations and Covenants. Mortgagor warrants and represents to Mortgagee that:

(i) No Copyright, Patent, Trademark or License has been adjudged invalid or unenforceable or, has been cancelled, in whole or in part;

(ii) Each registered Copyright, Patent and Trademark is valid and enforceable;

(iii) Mortgagor is the sole and exclusive owner of the entire unencumbered right, title and interest in and to each Copyright, Patent, Trademark and License, free and clear of any liens, charges and encumbrances except for Permitted Liens, including, without limitation, licenses, shoprights and covenants by Mortgagor not to sue third parties;

(iv) Mortgagor has no notice of any suits or actions commenced or threatened with respect to any of the Copyrights, Patents, Trademarks or Licenses;

(v) Mortgagor has the unqualified right to execute and deliver this Mortgage and perform its terms;

(vi) No License restricts the ability of Mortgagor to pledge, mortgage and assign such License as contemplated by this Mortgage;

(vii) Mortgagor has no notice of any infringement or unauthorized use presently being made of any of the Copyrights, Patents, Trademarks or Licenses which would reasonably be expected to materially adversely affect the fair market value of the Copyrights, Patents, Trademarks or Licenses or the benefits to Mortgagee of this Mortgage, including, without limitation, the priority or perfection of the security interest granted herein or the remedies of Mortgagee hereunder; and

(viii) Mortgagor has no notice of any suits or actions commenced or threatened with respect to any Copyright, Patent, Trademark or License.

4. Restrictions on Future Agreements. Mortgagor agrees that until the Obligations shall have been satisfied in full and the Financing Agreements shall have been terminated (the "Loan Agreement Termination") and except as permitted in the Loan Agreement, Mortgagor shall not, without the prior written consent of Mortgagee, sell or assign its interest in, or grant any license under, any Copyright, Patent, Trademark or License, or enter into any other agreement with respect to the Copyrights, Patents, Trademarks or Licenses which is inconsistent with the Obligations under this Mortgage. Mortgagor further agrees that it shall 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 materially adversely affect the validity or enforcement of the rights transferred to Mortgagee under this Mortgage.

5. New Copyrights, Patents, Trademarks, and Licenses. Mortgagor represents and warrants that the Copyrights, Patents, Trademarks and Licenses listed on Exhibits A, B, C and D, respectively, constitute all of the registered Copyrights, registered Patents and registered Trademarks now owned by, and Licenses granted by or to, Mortgagor. If, before the Loan Agreement Termination, Mortgagor shall (i) become aware of any existing Copyrights, Patents, Trademarks or Licenses of which Mortgagor has not previously informed mortgagee; (ii) obtain rights to any new Copyrights, patentable inventions, Patents, Trademarks or Licenses, or (iii) become entitled to the benefit of any Copyrights, Patents, Trademarks or Licenses or any improvement on any Patent, the provisions of this Mortgage above shall automatically apply thereto. Mortgagor hereby authorizes Mortgagee to modify this Mortgage by amending Exhibits A, B, C and D, as applicable, to include any such (registered or unregistered) Copyrights, Patents, Trademarks and Licenses.

6. Royalties; Term. The term of the security interests/mortgages granted herein shall extend until the earlier of (i) the expiration of each of the respective Copyrights, Patents, Trademarks and Licenses encumbered hereunder, or (ii) the Loan Agreement Termination. Upon the occurrence of an Event of Default, Mortgagor agrees that the use by Mortgagee of all Copyrights, Patents, Trademarks and Licenses shall be worldwide and without any liability for royalties or other related charges from Mortgagee to Mortgagor.

7. Release of Mortgage. This Mortgage is made for collateral purposes only. Upon the Loan Agreement Termination, Mortgagee shall take such actions as may be necessary or proper to terminate and release its security interest in the Copyrights, Patents, Trademarks, and Licenses created hereby and pursuant to the Financing Agreements, subject to any disposition thereof which may have been made by Mortgagee pursuant hereto or pursuant to the Loan Agreement.

8. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Mortgagor. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses,

incurred by Mortgagee 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, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Copyrights, Patents, Trademarks and Licenses, or in defending or prosecuting any actions or proceedings arising out of or related to the Copyrights, Patents, Trademarks and Licenses, shall be borne by and paid by Mortgagor on written demand by Mortgagee and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the then applicable rate as set forth in the Loan Agreement.

9. Duties of Mortgagor. Mortgagor shall have the duty, in each case as commercially reasonable and in accordance with industry standards, (i) to file and prosecute diligently any copyright, patent, trademark or service mark applications pending as of the date hereof or thereafter until the Loan Agreement Termination, (ii) to make application on uncopyrighted but copyrightable works, on unpatented but patentable inventions and on trademarks and service marks, as appropriate and in accordance with industry standards, (iii) to preserve and maintain all rights in the Copyrights, Patents, Trademarks and Licenses to the extent necessary to conduct Company's business as currently being conducted or proposed to be conducted or to the extent such Copyrights, Patents, Trademarks or Licenses have material value, and (iv) to ensure that the Copyrights, Patents, Trademarks and Licenses are and remain enforceable to the extent necessary to conduct Company's business as currently being conducted or proposed to be conducted or to the extent such Copyrights, Patents, Trademarks or Licenses have material value. Any expenses incurred in connection with Mortgagor's obligations under this Section 9 shall be borne by Mortgagor. Mortgagor shall use commercially reasonable efforts to ensure that it does not abandon any right to file a copyright, patent, trademark or service mark application, or abandon any such Copyright, Patent, Trademark or License without the written consent of Mortgagee. If Mortgagor fails to comply with any of the foregoing duties, Mortgagee may perform said duties in Mortgagor's name, to the extent permitted by law. Mortgagor agrees (i) 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, except to the extent that the failure to perform any of the following would not reasonably be expected to have a Material Adverse Effect, and (ii) to provide Mortgagee, upon Mortgagee's reasonable request from time to time, with a certificate of an officer of Mortgagor certifying Mortgagor's compliance with the foregoing. Upon the occurrence and during the continuation of an Event of Default, Mortgagor agrees that Mortgagee, or a conservator appointed by Mortgagee, shall have the right to establish such additional product quality controls as Mortgagee, or said conservator, in its sole judgment exercised in a commercially reasonable manner, may deem necessary to assure maintenance of the quality of products sold by Mortgagor under the Trademarks. Mortgagor shall promptly, upon demand, reimburse and indemnify Mortgagee for all costs and expenses of Mortgagee, including attorney's fees and expenses so incurred by Mortgagee, in the exercise of its rights under this Section 9.

10. Mortgagee's Right to Sue. After the occurrence and during the continuance of an Event of Default, Mortgagee shall have the right, but shall in no way be

obligated, to bring suit in its own name to enforce the Copyrights, Patents, Trademarks and Licenses, and, if Mortgagee shall commence any such suit, Mortgagor shall, at the request of Mortgagee, do any and all lawful acts and execute any and all proper documents required by Mortgagee in aid of such enforcement and Mortgagor shall promptly, upon demand, reimburse and indemnify Mortgagee for all costs and expenses incurred by Mortgagee, including attorneys' fees and expenses so incurred by Mortgagee, in the exercise of its rights under this Section 10.

11. Waivers. No course of dealing among Mortgagor, Mortgagee and the Lenders, nor any failure to exercise, nor any delay in exercising, on the part of Mortgagee or Lenders, any right, power or privilege hereunder or under the Loan Agreement 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.

12. Severability. The provisions of this Mortgage 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 Mortgage in any jurisdiction.

13. Modification. This Mortgage 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.

14. Cumulative Remedies; Power of Attorney; Effect on Loan Agreement. All of Mortgagee's rights and remedies with respect to the Copyrights, Patents, Trademarks and Licenses, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Upon the occurrence and during the continuation of an Event of Default, Mortgagor hereby authorizes Mortgagee to make, constitute and appoint any officer or agent of Mortgagee as Mortgagee may select, in its sole discretion, as Mortgagor's true and lawful attorney-in-fact, with power to (i) endorse Mortgagor's name on all applications, documents, papers and instruments necessary or desirable for Mortgagee in the use of any or all of the Copyrights, Patents, Trademarks and Licenses, or (ii) take any other actions with respect to any or all of the Copyrights, Patents, Trademarks and Licenses as Mortgagee deems to be in its best interest, or (iii) grant or issue any exclusive or non-exclusive license under any or all of the Copyrights, Patents, Trademarks or Licenses to any Person, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of any or all of the Copyrights, Patents, Trademarks or Licenses to any Person, or (v) take any other actions with respect to any or all of the Copyrights, Patents, Trademarks and Licenses as Mortgagee deems to be in its best interests. Mortgagor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable

until the Loan Agreement Termination. Mortgagor acknowledges and agrees that this Mortgage is not intended to limit or restrict in any way the rights and remedies of Mortgagee or Lenders or their respective successors transferees and assigns under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies. Mortgagee and such other parties shall have, in addition to all other rights and remedies given it or them by the terms of this Mortgage and the Loan Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code (or such other applicable law) as enacted in any jurisdiction in which the Copyrights, Patents, Trademarks or Licenses may be located.

15. Binding Effect; Benefits. This Mortgage shall be binding upon Mortgagor and its respective successors and permitted assigns, and shall inure to the benefit of Mortgagee and Lenders, their successors, nominees and assigns.

16. GOVERNING LAW. THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS.

17. CONSENT TO FORUM AND WAIVERS. TO INDUCE MORTGAGEE AND LENDERS TO MAKE THE LOANS, AS EVIDENCED BY THE LOAN AGREEMENT AND THIS AGREEMENT, MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO MORTGAGEE'S SOLE AND ABSOLUTE ELECTION, ALL SUITS, ACTIONS OR OTHER PROCEEDINGS IN ANY WAY, MANNER OR RESPECT ARISING OUT OF OR FROM OR RELATED TO THIS AGREEMENT OR ANY DOCUMENTS EXECUTED IN CONNECTION HERewith, SHALL BE SUBJECT TO LITIGATION THE SUPERIOR COURT OF COOK COUNTY, ILLINOIS OR, AT MORTGAGEE'S OPTION, THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION. MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN COOK COUNTY, ILLINOIS. MORTGAGOR HEREBY WAIVES ANY RIGHT IT MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT AGAINST MORTGAGOR BY MORTGAGEE IN ACCORDANCE WITH THIS SECTION. MORTGAGOR AND MORTGAGEE HEREBY WAIVE, TO THE EXTENT PERMITTED BY LAW, TRIAL BY JURY. MORTGAGOR FURTHER WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF MORTGAGEE.

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

19. Further Assurances. Mortgagor agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as

Mortgagee shall request from time to time in order to carry out the purpose of this Mortgage and agreements set forth herein.

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

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage in favor of Mortgagee as of the date first written above.

**FAIRFIELD MANUFACTURING COMPANY,
INC.**

By: RA Bush
Richard A. Bush, Senior Vice President and
Chief Financial Officer

AGREED AND ACCEPTED THIS
17th day of March, 2004.

FLEET CAPITAL CORPORATION,
as Agent

By: Mr. Rescort
Its VICE PRESIDENT

EXHIBIT A

Copyrights

None.

EXHIBIT B**Patents**

Planetary Wheel Hub	Phebus et al.		5024636	6/18/91
Two Speed High Shift Transmission	Buuck/Dammon		5478290	12/26/95
Two Speed Alternatively Engaging Clutch/Brake	Buuck/Dammon		5489013	2/6/96
Press Fit Carrier/Spindle for Use in Planetary Transmission	Dammon		5616097	4/1/97
Planetary Wheel Hub Torque II			Brazil PI-9007481	4/30/90
Planetary Wheel Hub Torque II			France 0479800 B1	6/21/95
Planetary Wheel Hub Torque II			U.K. 0479800 B1	6/21/95
Planetary Wheel Hub Torque II			Germany 69020351.9	6/21/95
Planetary Wheel Hub Torque II			Originally registered in East Germany DD 298963	3/19/92

EXHIBIT C

Trademarks

1997			
"FM" in a "C" Design	7/4/67		831396
Torque Hub	12/26/72		949279
Torque Hub (Design)	3/12/85		1324068
Torque II	12/17/91		1668232
Torque-Lock	2/17/04		2815487
Excel	Applied 11/20/03	Serial No. 76563132	
Torque Hub	12/5/75		Sweden 153555
Torque Hub	1/13/95		France 1305476
Torque Hub	11/28/75		Denmark 4840-1975
Torque Hub	Expires 7/19/04		Mexico 329158

PAGE 1 D

LINE 1

NUM.