

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
Cloyes Gear and Products, Inc.		05/17/2006	CORPORATION: OHIO

RECEIVING PARTY DATA

Name:	LaSalle Business Credit, LLC
Street Address:	135 South LaSalle Street
Internal Address:	Suite 425
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60603
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 13

Property Type	Number	Word Mark
Registration Number:	1370932	CLOYES
Registration Number:	1380128	CLOYES
Registration Number:	2068437	D
Registration Number:	2054006	DYNADRIVE
Registration Number:	2438540	DYNAGEAR
Registration Number:	2048666	DYNAGEAR INC
Registration Number:	2113321	DYNA-ROLL
Registration Number:	1755179	HEX-A-JUST
Registration Number:	1198608	PLUS
Registration Number:	2687556	QUICK ADJUST
Registration Number:	1995236	STIFFBACK
Registration Number:	2191699	THE FULL LINE MANUFACTURER
Registration Number:	1198609	TRUE

CH \$340.00 1370932

CORRESPONDENCE DATA

Fax Number: (312)840-7884
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: (312) 840-7860
Email: mmurphy@jenner.com
Correspondent Name: Mariann R. Murphy
Address Line 1: One IBM Plaza
Address Line 2: Jenner & Block LLP
Address Line 4: Chicago, ILLINOIS 60611

ATTORNEY DOCKET NUMBER:	42206-10308
NAME OF SUBMITTER:	Mariann R. Murphy
Signature:	/Mariann R. Murphy/
Date:	05/18/2006

Total Attachments: 8
source=Trademark Security Agreement-Cloyes#page1.tif
source=Trademark Security Agreement-Cloyes#page2.tif
source=Trademark Security Agreement-Cloyes#page3.tif
source=Trademark Security Agreement-Cloyes#page4.tif
source=Trademark Security Agreement-Cloyes#page5.tif
source=Trademark Security Agreement-Cloyes#page6.tif
source=Trademark Security Agreement-Cloyes#page7.tif
source=Trademark Security Agreement-Cloyes#page8.tif

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Security Agreement") made as of this 17th day of May, 2006, by Cloyes Gear and Products, Inc., an Ohio corporation ("Borrower"), in favor of LaSalle Business Credit, LLC, as agent ("Agent") for itself and various other lenders as more fully described below, with an office at 135 South LaSalle Street, Suite 425, Chicago, Illinois 60603.

W I T N E S S E T H

WHEREAS, Borrower, certain affiliates of Borrower, Agent and the financial institutions identified as "US Lenders" ("Lenders") are parties to a certain Loan and Security Agreement of even date herewith (as amended, restated, supplemented 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 Lenders to, from time to time, extend credit to or for the account of Borrower and (ii) for the grant by Borrower to Agent of a security interest in certain of Borrower'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, Borrower 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 Acknowledgment of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, Borrower hereby grants to Agent, for the benefit of Lenders, and hereby acknowledges its prior grant pursuant to the Financing Agreements of, a continuing security interest in Borrower'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 Borrower's business connected with the use of and symbolized by the Trademarks.

3. Warranties and Representations. Borrower warrants and represents to Agent 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 and each such Trademark is presently subsisting;

(ii) Borrower 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 Borrower not to sue third persons, other than Permitted Liens;

(iii) Except with respect to that certain Venezuelan Trademark Opposition filed by Jose Luis Vasquez against Borrower's Class 7 DYNAGEAR trademark application, Borrower has no notice of any suits or actions commenced or threatened by a third party with reference to any Trademark; and

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

4. Restrictions on Future Agreements. Borrower agrees that after the date of this Security Agreement and until the Liabilities shall have been satisfied in full and the Financing Agreements shall have been terminated, Borrower 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. Borrower represents and warrants that, based on a diligent investigation by Borrower, 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 Borrower. If, before the Liabilities shall have been satisfied in full or before the Financing Agreements have been terminated, Borrower shall (i) become aware of any existing Trademarks of which Borrower 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 Borrower shall give to Agent prompt written notice thereof. Borrower hereby authorizes Agent to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of the Liabilities and the termination of the Financing Agreements. Borrower agrees that upon the occurrence and during the continuance 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 Borrower.

7. Product Quality. Borrower 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, Borrower 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 Borrower under the Trademarks.

8. Release of Security Interest. This Security Agreement is made for collateral purposes only. Upon payment in full of the Liabilities and termination of the Financing Agreements, Agent shall take such actions (including execution of all deeds, releases, termination statements and other discharges) 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 Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Agent 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 Borrower and until paid shall constitute Liabilities.

10. Duties of Borrower. Borrower shall have the duty (i) to file and prosecute diligently, as commercially reasonable, any trademark applications pending as of the date hereof or hereafter until the 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 the Liabilities under this Section 10 shall be borne by Borrower.

11. Agent's Right to Sue. During the continuance of an Event of Default, any by providing ten (10) day's advance notice to Borrower, Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Agent shall commence any such suit, Borrower 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 Borrower shall, as long as the Trademarks are owned by Borrower, 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 Borrower and Agent, 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 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. Borrower hereby authorizes Agent during the continuance 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 Borrower's true and lawful attorney-in-fact, with power to (i) endorse Borrower'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. Borrower 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 the Liabilities shall have been paid in full and the Financing Agreements have been terminated. Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent 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 Borrower 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 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. Borrower 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 Borrower 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.

21. Counterparts. This Security Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which counterparts together shall constitute but one agreement.

[Signature Page Follows]

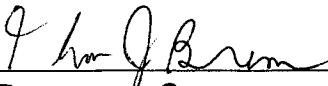
IN WITNESS WHEREOF, Borrower has duly executed this Security Agreement
as of the date first written above.

CLOYES GEAR AND PRODUCTS, INC.

By _____
Name Anthony F. Blake
Title Vice President - Finance and Treasurer


Agreed and Accepted
As of the Date First Written Above

LASALLE BUSINESS CREDIT,
LLC, Agent

By 
Name Thomas Brennan
Title First Vice President

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

CLOYES GEAR AND PRODUCTS, INC.

By 
Name Anthony F. Blake
Title Vice President - Finance and Treasurer

Agreed and Accepted
As of the Date First Written Above

LASALLE BUSINESS CREDIT,
LLC, Agent

By _____
Name _____
Title _____

[Signature Page to Trademark Security Agreement]

SCHEDULE A

TRADEMARK REGISTRATIONS

<u>Trademark / Service Mark</u>	<u>Registration No.</u>	<u>Date Registered</u>
CLOYES	1,370,932	11/19/1985
CLOYES and Design	1,380,128	1/28/1986
D and Design	2,068,437	6/10/1997
DYNADRIVE	2,054,006	4/22/1997
DYNAGEAR	2,438,540	3/27/2001
DYNAGEAR INC	2,048,666	4/1/1997
DYNA-ROLL	2,113,321	11/18/1997
HEX-A-JUST	1,755,179	3/2/1993
PLUS	1,198,608	6/22/1982
QUICK ADJUST	2,687,556	2/11/2003
STIFFBACK	1,995,236	8/20/1996
THE FULL LINE MANUFACTURER	2,191,699	9/29/1998
TRUE	1,198,609	6/22/1982

TRADEMARK APPLICATIONS

None.