

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
PENN DETROIT DIESEL ALLISON, LLC		08/01/2006	LIMITED LIABILITY COMPANY: PENNSYLVANIA
RECEIVING PARTY DATA			
Name:	CITIZENS BANK OF PENNSYLVANIA		
Street Address:	3025 Chemical Road		
Internal Address:	Suite 300		
City:	Plymouth Meeting		
State/Country:	PENNSYLVANIA		
Postal Code:	19462		
Entity Type:	CORPORATION: PENNSYLVANIA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	3112642	NORTHEAST ENERGY SYSTEMS	
Registration Number:	3067425	PENN POWER SYSTEMS	
CORRESPONDENCE DATA			
Fax Number:	(215)405-3789		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	215-977-2087		
Email:	Inocella@wolfblock.com		
Correspondent Name:	Randi J. Rabinowitz, Esquire		
Address Line 1:	1650 Arch Street		
Address Line 2:	22nd Floor		
Address Line 4:	Philadelphia, PENNSYLVANIA 19103		
ATTORNEY DOCKET NUMBER:	CIT078-237925		
NAME OF SUBMITTER:	Randi J. Rabinowitz		

OP \$65.00 3112642

Signature:	/randijrabinowitz/
------------	--------------------

Date:	09/29/2006
-------	------------

Total Attachments: 13
source=CIT Security Agreement#page1.tif
source=CIT Security Agreement#page2.tif
source=CIT Security Agreement#page3.tif
source=CIT Security Agreement#page4.tif
source=CIT Security Agreement#page5.tif
source=CIT Security Agreement#page6.tif
source=CIT Security Agreement#page7.tif
source=CIT Security Agreement#page8.tif
source=CIT Security Agreement#page9.tif
source=CIT Security Agreement#page10.tif
source=CIT Security Agreement#page11.tif
source=CIT Security Agreement#page12.tif
source=CIT Security Agreement#page13.tif

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement") is made effective as of the 1st day of August, 2006 by and between PENN DETROIT DIESEL ALLISON, LLC, a Pennsylvania limited liability company ("Assignor"), and CITIZENS BANK OF PENNSYLVANIA ("Bank").

BACKGROUND

A. In accordance with the terms of that certain Loan and Security Agreement of even date herewith by and between Assignor and Bank (as the same may be amended, modified, supplemented, extended and/or renewed, the "**Loan Agreement**"), Bank agreed to extend to Assignor (i) a revolving line of credit in the maximum principal amount of Fifteen Million Dollars (\$15,000,000.00) and (ii) a term loan in the original principal amount of Thirteen Million Dollars (\$13,000,000.00).

B. The Loan Agreement provides, *inter alia*, that Assignor will grant to Bank a security interest in substantially all of Assignor's assets, including, without limitation, its patents, patent rights, patent applications, servicemarks, trademarks, servicemark and trademark applications, tradenames, goodwill, copyrights and licenses.

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

1. **Capitalized Terms.** All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

2. **Security Interest.**

(a) **Security Interest in Patents, Copyrights and Licenses.** To secure the complete and timely payment and satisfaction of all Bank Indebtedness, Assignor hereby collaterally assigns, pledges and grants to Bank a security interest in, as and by way of a first security interest having priority over all other security interests, but subject to Permitted Liens, all of Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed, but excluding, in all cases, rights under (but not proceeds of) any lease, contract, or agreement (including licenses) that contain an enforceable restriction on Assignor's right to grant a security interest to Bank unless and until Assignor shall have obtained a consent from the relevant party or parties thereto to the grant of the security interest (collectively, with items named in **Section 2(b)** below, the "**Collateral**");

(i) patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on **Exhibit "A"**, attached hereto and made a part hereof, and (A) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights

corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (A)-(D), are sometimes hereinafter individually and/or collectively referred to as the "**Patents**");

(ii) copyrights, copyright registrations, copyright applications and all computer programs, operating systems, application systems, hardware or software of any nature whatsoever owned by Assignor, whether operational, under development or inactive, including all object codes, source codes, modules, technical manuals, user manuals, operating instructions and procedures, in-put and out-put formats, program listings, narrative descriptions, program flow charts, file layouts, report layouts, screen layouts and other documentation therefor (including internal notes, memoranda, status evaluations, marketing information and write-ups), and all improvements, modifications, enhancements, new releases and revisions thereof, whether in machine-readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature; together with all tangible media upon which any of the foregoing are recorded or encoded, including, without limitation, all chips, disks, tapes, film and paper; including, without limitation, the copyrights, copyrights registrations and copyrights applications listed on Exhibit "B" attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and (C) the right to sue for past, present and future infringements thereof (all of the foregoing items are sometimes referred to herein collectively as the "**Copyrights**"); and

(iii) license agreements with any other party, whether Assignor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Exhibit "C" attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale all inventory now or hereafter owned by Assignor and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "**Licenses**").

(b) Security Interest in Trademarks. To secure the complete and timely payment and satisfaction of all Bank Indebtedness, Assignor hereby pledges and grants to Bank a security interest in, as and by way of a first security interest having priority over all other security interests, but subject to Permitted Liens, all of Assignor's right, title and interest in and to all of the following, whether now owned or existing and filed or hereafter acquired or arising and filed: servicemarks, trademarks, servicemark and trademark registrations, tradenames, servicemark and trademark applications, and all goodwill attendant thereto, including, without limitation, the servicemarks, trademarks and applications listed on Exhibit "D", attached hereto and made a part hereof, and (A) all renewals thereof, (B) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments for past or future infringements thereof, (C) the right to sue for past, present and future infringements thereof, and (D) all rights corresponding thereto throughout the world (all of the foregoing servicemarks, trademarks, servicemark and trademark registrations, servicemark and tradenames and applications together with the items described in clauses (A)-(D), are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**").

3. Restrictions on Future Agreements. Assignor agrees that until all Bank Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor will not, without Bank's prior written consent, enter into any agreement (including, without

limitation, any license or royalty agreement) which violates this Security Agreement or the Loan Agreement, and Assignor further agrees that it will not take any action, or permit any action to be taken by others, subject to its control, including licensees (to the extent subject to its control), or fail to take any action, which would affect the validity or enforcement of the rights of Bank under this Security Agreement (subject in all cases to Permitted Liens).

4. **New Patents, Trademarks, and Licenses.** Assignor represents and warrants that the Patents, Copyrights, Licenses and Trademarks listed on **Exhibits "A", "B", "C" and "D"**, respectively, constitute all of the patents, registered copyrights, registered trademarks and applications and licenses therefor now owned by Assignor (other than Assignor's right to use certain proprietary rights under the Operating Agreement of WheelTime Network LLC effective as of March 15, 2005, which shall not be subject to this Security Agreement). If, before all Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor shall (a) obtain rights to any new patentable inventions, trademarks, servicemarks, trademark registrations, tradenames, copyrights or licenses, or (b) become entitled to the benefit of any patent or trademark or copyright application, trademark, trademark registration, servicemark, tradename, copyright or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of **Section 2** above shall automatically apply thereto and Assignor shall give to Bank, within 45 days after each fiscal quarter, written notice of any patents, registered copyrights, registered trademarks or licenses or applications therefor to which Assignor obtained rights during the prior fiscal quarter. Assignor hereby authorizes Bank to modify this Security Agreement by amending **Exhibit "A", "B", "C" and/or "D"**, as applicable, to include any future patents, patent applications, trademark registrations, trademark applications, copyright registrations, copyright applications and licenses which are Patents, Copyrights, Licenses or Trademarks, as applicable, under **Section 2** above or under this **Paragraph 4.** Assignor hereby agrees to provide to Bank such assignment or other documentation as Bank may request to record Bank 's lien on such future Patents, Copyrights, Licenses or Trademarks.

5. **Royalties; Term.** Assignor hereby agrees that the use by Bank of all Patents, Copyrights, Licenses and Trademarks as permitted herein shall be worldwide and without any liability for royalties or other related charges from Bank to Assignor. The term of the security interest granted herein shall extend until the earlier of (a) the expiration of each of the respective Patents, Copyrights, Licenses and Trademarks assigned hereunder, or (b) the date on which all Bank Indebtedness has been paid in full and the Loan Agreement is terminated.

6. **Bank 's Right to Inspect.** Bank shall have the right, at any time and from time to time, to inspect Assignor's premises and to examine Assignor's books, records and operations in accordance with the Loan Agreement. Assignor agrees (a) not to sell or assign its interest in, or grant any license under, the Patents, Copyrights, Licenses or Trademarks except as permitted by the Loan Agreement; and (b) to maintain the quality of any and all products in connection with which the Trademarks and/or Copyrights are used, consistent with commercially reasonable business practices.

7. **Termination.** This Security Agreement is made for collateral purposes only. Upon payment in full of all Bank Indebtedness and termination of the Loan Agreement, Bank shall execute and deliver to Assignor a termination of Bank's security interest granted herein and all assignments and other instruments as may be necessary or proper to re-vest in Assignor full title to the Patents, Copyrights, Licenses and Trademarks, subject to any disposition thereof which may have been made by Bank to the extent permitted hereunder.

8. **Duties of Assignor.** Assignor shall have the duty to use commercially reasonable efforts (a) to prosecute diligently any patent, trademark and copyright application pending as of the date hereof or thereafter until all Bank Indebtedness shall have been paid in full and the Loan Agreement is terminated, (b) to make application on unpatented but patentable inventions and on trademarks and copyrights, as appropriate, and (c) to preserve and maintain all material rights in patent applications and patents of the Patents, in trademark applications, trademarks and trademark registrations of the Trademarks and in copyright applications and copyrights of the Copyrights, except to the extent such rights, in the good faith judgment of Assignor, are no longer useful in the business of Assignor. Any expenses incurred in connection with such applications shall be borne by Assignor. Assignor will not abandon any right to file a patent, trademark or copyright application, or any pending patent, trademark or copyright application or any Patent, Trademark, License or Copyright, except to the extent such rights, in the good faith judgment of Assignor, are no longer useful in the business of Assignor.

9. **Event of Default.** Upon the occurrence and during the continuance of an Event of Default, Bank may, without further notice to or consent of Assignor, and in addition to all other rights and remedies available to Bank, immediately record all assignments previously executed and delivered to Bank by Assignor and/or execute and record with all applicable offices (including, without limitation, the Patent and Trademark Office) an absolute assignment to Bank by Assignor of all rights, title and interest of Assignor, in and to the Collateral. Assignor hereby authorizes and agrees that Bank may, through the power of attorney granted in **Section 14** hereof, upon the occurrence and during the continuance of an Event of Default irrevocably execute and deliver in Assignor's name any and all such assignments and agreements and to take any and all other actions in Assignor's name as Bank shall deem reasonable or appropriate to transfer and convey all right, title and interest of Assignor in and to the Collateral to Bank or any other person or entity selected by Bank.

10. **Bank's Right to Sue.** Upon the occurrence and during the continuance of an Event of Default, Bank shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses, Patents, Copyrights and/or Trademarks, and any licenses thereunder, and, if Bank shall commence any such suit, Assignor shall, at the request of Bank, do any and all lawful acts and execute any and all proper documents required by Bank in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Bank for all costs and expenses incurred by Bank in the exercise of its rights under this **Section 10**.

11. **Waivers.** No course of dealing between Assignor and Bank, nor any failure to exercise, nor any delay in exercising, on the part of Bank, 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 Security Agreement are severable, and if any clause or provision shall be 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.

13. **Modification.** This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in **Section 4** hereof or by a writing signed by the parties hereto.

14. **Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.** All of Bank's rights and remedies with respect to the Patents, Trademarks, Copyrights 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 continuance of an Event of Default, Assignor hereby authorizes Bank to make, constitute and appoint any officer or agent of Bank as Bank may select, in its sole discretion, as Assignor's true and lawful attorney-in-fact, with power to (a) endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Bank to protect, evidence or perfect its security interest in the Patents, Trademarks, Copyrights and Licenses, (b) endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the Bank to enforce its security interest in the Patents, Trademarks, Copyrights and Licenses, (c) take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Bank reasonably deems in the best interest of the Bank, (d) grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to anyone, including Bank, and/or (e) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone, including Bank. Upon the occurrence and during the continuance of an Event of Default, Bank may also act under such power of attorney to take the actions referenced in **Section 4**. Bank 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 Bank Indebtedness shall have been paid in full and the Loan Agreement shall have been terminated. Assignor acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Bank under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction.

15. **Binding Effect; Benefits.** This Security Agreement shall be binding upon the Assignor and its successors and assigns, and shall inure to the benefit of Bank and its nominees, successors and assigns.

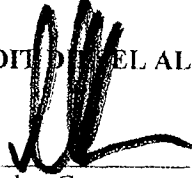
16. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflict of law principles.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement the day and year first above written.

ASSIGNOR

PENN DETROIT DIESEL ALLISON,
LLC

By: 
C. Christopher Cannon,
Chief Executive Officer

BANK

CITIZENS BANK OF PENNSYLVANIA

By: _____
Nancy Krewson, Senior Vice President

IN WITNESS WHEREOF, the parties hereto have duly executed this Security Agreement
the day and year first above written.

ASSIGNOR

PENN DETROIT DIESEL ALLISON,
LLC

By: _____
C. Christopher Cannon,
Chief Executive Officer

BANK

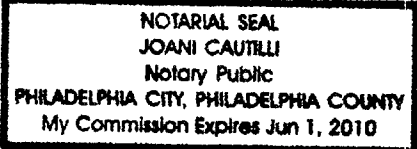
CITIZENS BANK OF PENNSYLVANIA

By: Nancy Krewson - SRP
Nancy Krewson, Senior Vice President

STATE OF Pennsylvania :
COUNTY OF Philadelphia : ss:
:

On this 1st day of August, 2006, before me, a Notary Public, personally appeared C. Christopher Cannon, who acknowledged himself to be the duly acting Chief Executive Officer of **PENN DETROIT DIESEL ALLISON, LLC** and that he as such Chief Executive Officer, being duly authorized to do so, executed the foregoing Intellectual Property Security Agreement for the purposes therein contained by signing his name as such on behalf of the Assignor.

Joani Cautilli
Notary Public
My Commission Expires:



COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF : ss:
:

On this _____ day of _____, 2006, before me, a Notary Public, personally appeared Nancy Krewson, who acknowledged herself to be the duly acting Senior Vice President of Citizens Bank of Pennsylvania and that she as such Senior Vice President, being duly authorized to do so, executed the foregoing Intellectual Property Security Agreement for the purposes therein contained by signing her name as such on behalf of the Assignor.

Notary Public
My Commission Expires:

STATE OF :
: ss:
COUNTY OF :

On this _____ day of _____, 2006, before me, a Notary Public, personally appeared C. Christopher Cannon, who acknowledged himself to be the duly acting Chief Executive Officer of **PENN DETROIT DIESEL ALLISON, LLC** and that he as such Chief Executive Officer, being duly authorized to do so, executed the foregoing Intellectual Property Security Agreement for the purposes therein contained by signing his name as such on behalf of the Assignor.

Notary Public
My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA :
: ss:
COUNTY OF :

On this 31st day of JULY, 2006, before me, a Notary Public, personally appeared Nancy Krewson, who acknowledged herself to be the duly acting Senior Vice President of Citizens Bank of Pennsylvania and that she as such Senior Vice President, being duly authorized to do so, executed the foregoing Intellectual Property Security Agreement for the purposes therein contained by signing her name as such on behalf of the Assignor.

Ellen A. Bross

Notary Public
My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Ellen A. Bross, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires Sept. 26, 2009
Member, Pennsylvania Association of Notaries

EXHIBIT "A"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Patents

None.

EXHIBIT "B"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Copyrights

None.

EXHIBIT "C"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Licenses

None.

EXHIBIT "D"
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Trademarks

<u>Mark</u>	<u>Registration No./Application No.</u>	<u>Filing Date</u>
NORTHEAST ENERGY SYSTEMS [and Design]	3,112,642	January 5, 2004
PENN POWER SYSTEMS [and Design]	3,067,425	January 5, 2004

PHL:5414985.5/CIT078-237925