

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM309900

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	RELEASE OF SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
UNION BANK, N.A., AS AGENT		12/23/2011	National Banking Association: CALIFORNIA
RECEIVING PARTY DATA			
Name:	K&N ENGINEERNG, INC.		
Street Address:	1455 CITRUS AVENUE		
City:	RIVERSIDE		
State/Country:	CALIFORNIA		
Postal Code:	92502		
Entity Type:	CORPORATION: CALIFORNIA		
Name:	SHIFT SEVEN, LLC		
Street Address:	1455 CITRUS AVENUE		
City:	RIVERSIDE		
State/Country:	CALIFORNIA		
Postal Code:	92502		
Entity Type:	LIMITED LIABILITY COMPANY: CALIFORNIA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	3875377	BRUTE FORCE	
Registration Number:	3692361	DRYFLOW	
CORRESPONDENCE DATA			
Fax Number:	2124464900		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Email:	susan.zablocki@kirkland.com		
Correspondent Name:	Susan Zablocki		
Address Line 1:	Kirkland & Ellis LLP		
Address Line 2:	601 Lexington Avenue		
Address Line 4:	New York, NEW YORK 10022		
ATTORNEY DOCKET NUMBER:	13616-4		
NAME OF SUBMITTER:	Susan Zablocki		

CH \$65.00 3875377

SIGNATURE:	/susan zablocki/
DATE SIGNED:	07/08/2014
Total Attachments: 8 source=21 Payoff Letter of Union Bank_(23031864_1)#page1.tif source=21 Payoff Letter of Union Bank_(23031864_1)#page2.tif source=21 Payoff Letter of Union Bank_(23031864_1)#page3.tif source=21 Payoff Letter of Union Bank_(23031864_1)#page4.tif source=21 Payoff Letter of Union Bank_(23031864_1)#page5.tif source=21 Payoff Letter of Union Bank_(23031864_1)#page6.tif source=21 Payoff Letter of Union Bank_(23031864_1)#page7.tif source=21 Payoff Letter of Union Bank_(23031864_1)#page8.tif	

December 23, 2011

K & N ENGINEERING, INC.
1455 Citrus Ave.
Riverside, CA 92507
Attention: Chief Financial Officer

GENERAL ELECTRIC CAPITAL CORPORATION, as Agent
500 W. Monroe Street
Chicago, Illinois 60661
Attn: K & N Engineering, Inc., Account Officer

NYLCAP MEZZANINE PARTNERS III, LP
NYLCAP MEZZANINE PARTNERS III PARALLEL FUND, LP
c/o NYL Capital Partners
51 Madison Avenue
16th Floor
New York, NY 10010
Attn: John Schumacher
Vijay Palkar
Lorne Smith
Don Yu

TOWER SQUARE CAPITAL PARTNERS III
TOWER SQUARE CAPITAL PARTNERS III-A
TOWER SQUARE CAPITAL PARTNERS III-B
BABSON CAPITAL CORPORATE INVESTORS
BABSON CAPITAL PARTICIPATION INVESTORS
c/o Babson Capital Management LLC
1500 Main Street, Suite 2200
Springfield, MA 01115
Attn: Securities Investment Division

UNIONBANCAL EQUITIES, INC.
445 S. Figueroa Street, 21st Floor
Los Angeles, CA 90071
Attention: Margaret Elower

THE MALL FAMILY TRUST U/D/T October 31, 2008
c/o Jerry Eugene Mall, Trustee
43024 Via Las Rocas
Temecula, CA 92590-3904

STEVEN J. ROGERS
c/o K & N Engineering, Inc.
1455 Citrus St.
Riverside, CA 92507

Ladies and Gentlemen:

Reference is hereby made to that certain Second Amended and Restated Credit Agreement dated as of December 24, 2008, as amended by that certain First Amendment to Second Amended and Restated Credit Agreement dated as of February 18, 2009, that certain

Second Amendment to Second Amended and Restated Credit Agreement dated as of August 28, 2009, and that certain Third Amendment to Second Amended and Restated Credit Agreement dated as of June 30, 2011, as amended (the “**Existing Credit Agreement**”) among K & N Engineering, Inc., a California corporation (the “**Borrower**”), the lenders party thereto (hereinafter referred to individually as a “**Lender**” and collectively as “**Lenders**”), and Union Bank, N.A., acting in its capacity as the administrative agent (in such capacity, being hereinafter referred to as “**Existing Agent**”) for the Lenders (Existing Agent and Lenders being hereinafter referred to individually as an “**Existing Lender Party**” and collectively as the “**Existing Lender Parties**”).

The Borrower has advised Existing Agent that General Electric Capital Corporation, a Delaware corporation, acting in its capacity as administrative agent (in such capacity, the “**Refinancing Agent**”), for itself and certain other financial institutions, will be engaging in a certain financing of the Existing Credit Parties (as defined below) and certain of their affiliates, which financing will be secured by liens on and security interests in substantially all of the real and personal property of the Borrower and certain of the Borrower’s affiliates who will guaranty the financing (the “**Guarantors**”).

The Borrower has further advised Existing Agent that, in connection with such secured financing, a portion of the proceeds thereof will be used to repay in full the indebtedness and other obligations of the Borrower, each Guarantor and all of their respective affiliates who have executed any Existing Credit Documents (as defined below) or granted liens on its assets to secure the indebtedness and obligations (each such affiliate, an “**Existing Guarantor**”, and together with the Borrower, each an “**Existing Credit Party**”) to Existing Lender Parties under the Existing Credit Agreement, the Existing Loan Agreement (as defined below) and the agreements, documents and instruments executed and delivered pursuant thereto (collectively, the “**Existing Credit Documents**”), other than the obligations of the Existing Credit Parties under indemnification and expense reimbursement provisions of the Existing Credit Documents (for which no claim has been made) which by their terms survive termination of the Existing Credit Documents (collectively, the “**Contingent Obligations**”) (and, by its execution hereof, the Borrower hereby acknowledges, confirms and reaffirms such survival). As of December 23, 2011 (the “**Repayment Date**”), except for the Contingent Obligations, the indebtedness and any other obligations of the Existing Credit Parties to Existing Lender Parties under the Existing Credit Agreement, the Existing Loan Agreement (as defined below) and the other Existing Credit Documents, including all accrued interest, fees and expenses, if any, payable with respect thereto, is \$5,468,741.09 (the “**Loan Repayment Amount**”), consisting of (i) \$0, in respect of principal under the revolving loan facility, (ii) \$5,028,528.51, in respect of principal under all term loan facilities, (iii) \$0, in respect of interest under the revolving loan facility, (iv) \$7,742.14, in respect of interest under the term loan facilities, (v) \$5,218.49 in respect of commitment fees, and (vi) \$427,251.95, in respect of other fees. If the Existing Agent does not receive funds in an amount sufficient to repay the Loan Repayment Amount in full by 11:00 a.m., Los Angeles time, on the Repayment Date, the per diem increase in the interest payable on the Loan Repayment Amount is \$62.50 (with respect to the revolving loan facility) and \$340.51 (with respect to the term loan facilities) (collectively, the “**Per Diem Amount**”).

Payment of the Loan Repayment Amount and the Per Diem Amount, if any, should be made to Existing Agent by wire transfer of United States dollars in immediately available funds in accordance with the following instructions:

Union Bank, N.A.
Monterey Park
ABA #: 122000496
Credit GL Account #: 77070196431
Account Name: Wire Transfer Clearing
Attention: Commercial Loan Operations
Reference: K&N Engineering, Inc.

Existing Agent has issued letters of credit on behalf of the Borrower as set forth on **Schedule 1** attached hereto (the “**Existing Letters of Credit**”). As of the Repayment Date, (i) the Existing Letters of Credit shall no longer be deemed Letters of Credit under the Existing Credit Agreement and the Existing Agent shall have no participating interest in or further obligations in respect of such Existing Letters of Credit under the Existing Credit Agreement, (ii) the Existing Letters of Credit shall be deemed Letters of Credit under and as defined in that certain Credit Agreement, dated December 23, 2011, by and among Borrower, the other Persons party thereto that are designated as a “Borrower” from time to time, K&N Acquisition, Inc., a Delaware corporation, the other Persons party thereto that are designated as a “Credit Party”, the several financial institutions from time to time party to the agreement as “Lenders”, and Refinancing Agent.

In consideration of receipt by Existing Agent of (a) the Loan Repayment Amount as provided herein above and (b) the Per Diem Amount, if any, Existing Agent hereby:

(i) acknowledges and agrees that payment of the Loan Repayment Amount and the Per Diem Amount, if any, as provided herein above will constitute payment in full of all of the indebtedness, liabilities and other obligations of the Existing Credit Parties and their affiliates to the Existing Lender Parties under the Existing Credit Agreement, the Existing Loan Agreement (as defined below) and the other Existing Credit Documents, other than the Contingent Obligations; and

(ii) agrees that, upon such receipt by Existing Agent of the Loan Repayment Amount and the Per Diem Amount, if any, in accordance with the foregoing instructions:

(A) all security interests, liens and other encumbrances (including, without limitation, liens, if any, granted pursuant to mortgages and deeds of trust) which any Existing Credit Party may have granted to Existing Agent for the benefit of any Existing Lender Party in, on or against such Existing Credit Party’s property or assets, as security for the obligations under the Existing Credit Documents, as the case may be, shall be automatically released and terminated and all of the Existing Credit Documents shall automatically terminate; provided,

that, nothing herein is intended or shall be deemed or construed to terminate the Contingent Obligations, all of which shall continue after the Repayment Date on an unsecured basis;

(B) at the reasonable request of Refinancing Agent or any Existing Credit Party and the expense of the Existing Credit Parties, Existing Agent shall do all things necessary to further effect and evidence the foregoing, including, without limitation, delivering and releasing to or at the direction of Refinancing Agent or any Existing Credit Party, the following, in each case, duly executed by Existing Agent: (x) mortgage and deed of trust releases pertaining to the respective real property mortgages and/or deeds of trust, if any, executed by any Existing Credit Party in favor of Existing Agent, (y) release and reassignments pertaining to the intellectual property security agreements executed by any Existing Credit Party in favor of Existing Agent and (z) termination of deposit account control and similar agreements; and

(C) each Existing Credit Party, the Refinancing Agent and their respective attorneys shall be, and hereby are, authorized to file (w) mortgage and deed of trust releases pertaining to the respective real property mortgages and/or deeds of trust, if any, executed by any Existing Credit Party in favor of Existing Agent, (x) release and reassignments pertaining to the intellectual property security agreements executed by any Existing Credit Party in favor of Existing Agent, (y) termination of deposit account control and similar agreements, and (z) termination statements with respect to all Uniform Commercial Code financing statements filed by or for the benefit of Existing Agent against Borrower or any other Existing Credit Party.

At the expense of the Existing Credit Parties, the Existing Agent further agrees to deliver or cause to be delivered (a) to the Refinancing Agent, each stock certificate, stock power and any other instrument, in each case, previously delivered by Borrower or any other Existing Credit Party to Existing Agent or any of the other Existing Lender Parties pursuant to the Existing Credit Documents and (b) to the Refinancing Agent or the Borrower, as the case may be, such other terminations (including, without limitation, Uniform Commercial Code termination statements) and authorizations to terminate and release, in each case in form and substance reasonably satisfactory to Refinancing Agent or the Borrower, as the case may be, as Refinancing Agent or the Borrower may reasonably request to authorize, evidence and/or effect the termination and release by Existing Agent of all security interests and liens granted to Existing Agent pursuant to the Existing Credit Documents in the property and assets of the respective Existing Credit Parties.

In addition to the foregoing, the undersigned confirms it is the "Bank" (in such capacity, the "Bank") under that certain Loan Agreement dated December 22, 2006 by and between the Borrower and Bank (as amended or modified from time to time, the "Existing Loan Agreement").

Bank hereby acknowledges and agrees that:

(A) all security interests, liens and other encumbrances (including, without limitation, liens, if any, granted pursuant to mortgages and other deeds of trust) which the Borrower or any of its affiliates (each individually an “**Loan Party**” and collectively the “**Loan Parties**”) may have granted to Bank in, on or against such Loan Party’s property or assets, as the case may be, shall be automatically released and terminated;

(B) at the reasonable request of Refinancing Agent or any Loan Party and the expense of the Loan Parties, Bank shall do all things necessary to further effect and evidence the foregoing, including, without limitation, delivering and releasing to or at the direction of Refinancing Agent or any Loan Party, the following, in each case, duly executed by Collateral Agent: (x) mortgage and deed of trust releases pertaining to the respective real property mortgages and/or deeds of trust, if any, executed by any Loan Party in favor of Bank, (y) release and reassignments pertaining to the intellectual property security agreements executed by any Loan Party in favor of Bank and (z) termination of deposit account control and similar agreements; and


(C) each Loan Party, the Refinancing Agent and their respective attorneys shall be, and hereby are, authorized to file (w) mortgage and deed of trust releases pertaining to the respective real property mortgages and/or deeds of trust, if any, executed by any Existing Credit Party in favor of Bank, (x) release and reassignments pertaining to the intellectual property security agreements executed by any Existing Credit Party in favor of Bank, (y) termination of deposit account control and similar agreements, and (z) termination statements with respect to all Uniform Commercial Code financing statements filed by or for the benefit of Bank against Borrower or any other Loan Party.

*- Remainder of Page Intentionally Left Blank -
[Signature Page Follows]*

This letter agreement may be executed or otherwise authenticated in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed or otherwise authenticated and delivered shall be an original, but all of which shall together constitute one and the same instrument. Any such counterpart which may be delivered by facsimile, email or similar electronic transmission shall be deemed the equivalent of an originally signed counterpart and shall be fully admissible in any enforcement proceedings regarding this letter agreement.

Very truly yours,

UNION BANK, N.A., as Existing Agent and as
Bank

By: 
Lance Zedler, Vice President

[SIGNATURE PAGE TO PAYOFF LETTER]

TRADEMARK
REEL: 005318 FRAME: 0085

ACKNOWLEDGED AND AGREED

As of the date first set forth above:

K & N ENGINEERING, INC., a California corporation, as the Borrower

By: 

Name: Steven J. Rogers

Title: Chief Executive Officer and Secretary

[SIGNATURE PAGE TO PAYOFF LETTER]

Schedule 1

LC Number	Issue Date	Expiry Date	Beneficiary	Current Balance
S302211M	8/29/2007	8/29/2012	Hartford Fire Insurance Company	385,000.00
S315522M	10/8/2010	10/7/2012	Hartford Fire Insurance Company	395,000.00
S319845M	11/21/2011	11/20/2012	Hartford Fire Insurance Company	175,000.00
306S235851	8/30/2004	8/15/2012	Hartford Fire Insurance Company	550,000.00
306S236502	8/29/2005	8/15/2012	Hartford Fire Insurance Company	395,000.00
306S237110	8/28/2006	8/15/2012	Hartford Fire Insurance Company	<u>100,000.00</u>
			Total	2,000,000.00