

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM762551

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST
<b>SEQUENCE:</b>	2

## CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Kalyani Mistequay Drivelines, LLC		10/06/2022	Limited Liability Company: DELAWARE

## RECEIVING PARTY DATA

<b>Name:</b>	Con-Vel, Inc.
<b>Street Address:</b>	7020 Old River Trail
<b>City:</b>	Lansing
<b>State/Country:</b>	MICHIGAN
<b>Postal Code:</b>	48917
<b>Entity Type:</b>	Corporation: SOUTH CAROLINA

## PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
<b>Registration Number:</b>	5610076	CON-VEL

## CORRESPONDENCE DATA

Fax Number: 4046856929

*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.*

Phone: 4048153645

Email: eborland@sgrlaw.com, mbedsole@sgrlaw.com

Correspondent Name: Elizabeth G. Borland

Address Line 1: 1105 West Peachtree Street, N.E.

Address Line 2: Suite 1000

Address Line 4: Atlanta, GEORGIA 30309

<b>NAME OF SUBMITTER:</b>	Elizabeth G. Borland
<b>SIGNATURE:</b>	/Elizabeth G. Borland/
<b>DATE SIGNED:</b>	10/20/2022

## Total Attachments: 9

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## SECURITY AGREEMENT

**THIS SECURITY AGREEMENT** (this “Agreement”) is made as of October 6, 2022 between **KALYANI MISTEQUAY DRIVELINES, LLC**, a Delaware limited liability company (“**KMD**”) and **CON-VEL, INC.**, a South Carolina corporation (“**Secured Party**”).

### **BACKGROUND:**

1. WHEREAS KMD and Secured Party have entered into Asset Purchase Agreement dated as of October 6, 2022 (“**APA**”). Pursuant to the provisions of APA, Seller has agreed to sell and KMD has agreed to purchase certain assets of Secured Party (“**Purchased Assets**”);
2. In order to secure KMD’s obligation to pay the deferred portion of the Purchase Price to the Secured Party under the provisions of APA, KMD has issued the Note of even date herewith which is required to be secured by a security interest in the Purchased Assets.

### **WITNESSETH:**

In consideration of the foregoing and of the mutual covenants herein contained and to induce Secured Party to sell the Purchased Assets to KMD on a deferred-payment basis in accordance with the provisions of APA, the parties agree as follows:

1. **Definitions.** As used in this Agreement, capitalized terms shall have the following meaning:

“Code” means the Uniform Commercial Code as in effect in the State of Michigan from time to time.

“Collateral” or “Purchased Assets” means the property and rights described in Schedule A annexed to this Agreement.

“Default” or “default” means any of the events specified in Section 3.1 hereof, whether or not any requirement for the giving of notice or the lapse of time or the happening of any further condition, event or act shall have been satisfied.

“Document” means “document” as defined in the Code from time to time.

“Event of Default” means any event specified as such in Section 3.1 hereof, provided that there shall have been satisfied any requirement in connection with such event for the giving of notice or the lapse of time, or both.

“Note” shall mean the promissory note, dated as of even date herewith, issued by KMD to the order of Secured Party, in the principal amount of \$ USD 800,000 (US Dollars Eight Hundred Thousand), as the same may be amended, modified, supplemented, restated and renewed from time to time.

“Obligations” shall mean collectively the indebtedness evidenced by the Note and the other obligations to be performed or observed by KMD under this Agreement and the Note.

“Proceeds” means “proceeds” as defined in the Code from time to time.

## 2. Security.

2.1. Security Interest. As security for the payment and performance of the Obligations, KMD hereby pledges to Secured Party and grants to Secured Party a continuing security interest in and general lien upon and right of set-off against, all of its right, title and interest in and to the Collateral, whether now owned or hereafter acquired by KMD and wherever located.

2.2. Authority. Secured Party is authorized to file financing statements relating to Collateral where authorized by law. KMD authorizes Secured Party at KMD’s expense to file any financing statements relating to the Collateral which Secured Party deems appropriate, and KMD irrevocably appoints Secured Party as its attorney-in-fact until the Obligations are fulfilled by KMD, to perform all acts which Secured Party deems appropriate to perfect and to continue perfection of the security interest of Secured Party, if KMD fails to promptly do the same as requested by Secured Party. KMD hereby appoints Secured Party as KMD’s attorney-in-fact with power (after an Event of Default or until the Obligations are fulfilled by KMD, as the case may be) to endorse, present and collect on behalf of KMD and in KMD’s name any drafts, checks or other documents necessary or desirable to collect any amounts which KMD may be owed in respect of the Collateral. KMD hereby also constitutes and appoints Secured Party the true and lawful attorney of KMD with full power of substitution to take any and all appropriate action and to execute any and all documents or instruments that may be necessary or desirable to accomplish the purpose and carry out the terms of this Security Agreement. The proceeds realized from the sale or other disposition of any Collateral may be applied, after allowing two (2) Business Days for collection, first to the reasonable costs, expenses and attorney’s fees and expenses incurred by Secured Party for collection and for acquisition, completion, protection, removal, storage, sale and delivering of the Collateral; secondly, to interest due upon any of the Obligations; and thirdly, to the principal amount of the Obligations. If any deficiency shall arise, KMD shall remain liable to Secured Party therefor.

2.3. Waiver of Marshaling. KMD hereby waives any right it may have to require marshaling of its assets desirable to accomplish the purpose and carry out the terms of this Security Agreement.

2.4. No other payment obligations. The Secured Party hereby acknowledges and undertakes that other than the Obligations (*as defined in Section 1*), no other consideration of any nature whatsoever is payable by KMD to the Secured Party under this Agreement or the Note.

3. **Representations, Warranties and Agreements of KMD.**

3.1. Corporate Matters. So long as this Agreement shall be in effect, KMD shall maintain its corporate existence and shall not change its jurisdiction of organization without the prior written consent of the Secured Party.

3.2. Maintenance and Operation. KMD shall maintain the Collateral, if applicable, in good working order, condition and appearance, and shall operate the same in accordance with all applicable requirements of law relating thereto.

3.3. Further Acts. On a continuing basis, KMD shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording offices, all such instruments and documents, and shall take all such action as may be necessary or advisable to carry out the intent and purposes of this Agreement or for assuring, confirming or protecting the grant or perfection of the security interest granted hereby, to ensure KMD's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the United States Patent and Trademark office or any applicable offices of other nations.

4. **Default.**

4.1 Events of Default. Each of the following shall constitute an Event of Default:

(a) There shall occur any default by KMD in the payment, when due, of any of the monetary Obligations; or

(b) There shall occur any default by KMD in the performance of any other agreement, covenant or obligation contained in this Agreement or the Note or not provided for elsewhere in this Section 4; or

(c) Any representation or warranty made by KMD herein or in the Note or in any certificate or report furnished in connection herewith or therewith shall prove to have been untrue or incorrect in any material respect when made.

4.2 Remedies. If an Event of Default shall have occurred and be continuing, Secured Party may at its option take any or all of the following actions:

(a) Secured Party may declare any or all Obligations to be immediately due and payable (if not earlier demanded), exercise any or all of the rights appurtenant to the Note, exercise any remedy available to Secured Party hereunder or at law and take any action or exercise any remedy provided herein or under applicable law. No remedy shall be exclusive of other remedies or impair the right of Secured Party to exercise any other remedies. KMD agrees that any notice by Secured Party of the sale or disposition of the Collateral or any other intended action hereunder, whether required by the Code or otherwise, shall constitute reasonable notice

to KMD if the notice is mailed to KMD by regular or certified mail, postage prepaid, at least five days before the action to be taken.

(b) Any notice of sale, disposition or other action by Secured Party required by law and sent to KMD at KMD's address herein, or at such other address of KMD as may from time to time be shown on the records of Secured Party, at least five days prior to such action, shall constitute reasonable notice to KMD. Notice shall be deemed given or sent when mailed postage prepaid to KMD's address as provided herein. Secured Party shall be entitled to apply the proceeds of any sale or other disposition of the Collateral, and the payments received by Secured Party with respect to any of the Collateral, to Obligations in such order and manner as Secured Party may determine. Collateral that is subject to rapid declines in value or is customarily sold in recognized markets may be disposed of by Secured Party in a recognized market for such collateral without providing notice of sale. KMD waives any and all requirements that the Secured Party sell or dispose of all or any part of the Collateral at any particular time, regardless of whether KMD has requested such sale or disposition.

4.3 Receiver. In addition to any other remedy available to it, Secured Party shall have the absolute right, upon the occurrence of an Event of Default, to seek and obtain the appointment of a receiver, subject to applicable court orders governing such receivership, to take possession of and operate and/or dispose of the business and assets of KMD.

## 5. Miscellaneous.

5.1 No Waiver, Remedies Cumulative. No failure on the part of Secured Party to exercise, and no delay in exercising, any right hereunder or under the Note shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and are in addition to any other remedies provided by law, the Note or otherwise.

5.2 Survival of Representations. All representations and warranties made herein shall survive the execution of the Note and shall continue in full force and effect so long as any of the Obligations is outstanding, there exists any commitment by Secured Party to KMD, and until (i) the Obligations are repaid in full or (ii) this Agreement is formally terminated in writing.

5.3 Notices. Any notice or other communication hereunder or under the Note to any party hereto or thereto shall be by hand delivery, overnight delivery, e-mail or registered or certified mail and unless otherwise provided herein shall be deemed to have been given or made if given to such party's address listed below.

5.4 Governing Law. This Agreement shall be deemed a contract made under the laws of the State of Michigan and shall be governed by and construed in accordance with the laws of said state (excluding its conflict of laws provisions if such provisions would require application of the laws of another jurisdiction).

5.5 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of KMD and Secured Party, and their respective successors and assigns;

provided, that KMD may not assign any of its rights hereunder without the prior written consent of Secured Party, and any such assignment made without such consent will be void.

5.6 Counterparts. This 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 and all of which when taken together shall constitute but one and the same instrument.

5.7 Powers. All powers of attorney granted to Secured Party are coupled with an interest and are irrevocable.

5.8 Approvals. If this Agreement calls for the approval or consent of Secured Party, such approval or consent may be given or withheld in the discretion of Secured Party unless otherwise specified herein.

5.9 Waiver of Certain Defenses. To the fullest extent permitted by applicable law, upon the occurrence of any Event of Default, neither KMD nor anyone claiming by, through or under KMD will claim or seek to take advantage of any law requiring Secured Party to attempt to realize upon any collateral or collateral of any surety or guarantor, or any appraisal, evaluation, stay, extension, homestead, redemption or exemption laws now or hereafter in force in order to prevent or hinder the enforcement of this Agreement. KMD, for itself and all who may at any time claim through or under KMD, hereby expressly waives to the fullest extent permitted by law the benefit of all such laws. All rights of Secured Party and all obligations of KMD hereunder shall be absolute and unconditional irrespective of (i) any change in the time, manner or place of payment of, or any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any provision of the Note, (ii) any exchange, release or non-perfection of any other collateral given as security for the Obligations, or any release or amendment or waiver of or consent to departure from any guaranty for all or any of the Obligations, or (iii) any other circumstance which might otherwise constitute a defense available to, or a discharge of, KMD or any third party, other than payment and performance in full of the Obligations.

5.10 Capitalized Terms. Capitalized terms used and not defined in this Agreement shall have the meaning ascribed to them in the APA and/or in the Note.

[Signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be executed by their respective, duly authorized officers as of the day and year first above written.

**KALYANI MISTEQUAY DRIVELINES, LLC**  
1015 West Cedar Street  
Standish, MI 48658

By: *B. J. ...*

Title: Manager

**CON-VEL, INC.**  
7020 Old River Trail  
Lansing, MI 48917

By: \_\_\_\_\_

Title: President

*B. J. ...*  
Cash, P.O. Box Number  
Title: Treasurer



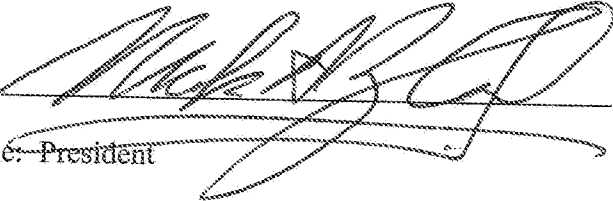
IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be executed by their respective, duly authorized officers as of the day and year first above written.

KALYANI MISTEQUAY DRIVELINES, LLC  
1015 West Cedar Street  
Standish, MI 48658

By: \_\_\_\_\_

Title: Manager

CON-VEL, INC.  
7020 Old River Trail  
Lansing, MI 48917

By:  \_\_\_\_\_

Title: President

## SCHEDULE A TO SECURITY AGREEMENT

### Description of the Collateral

The following property and rights sold and transferred by Secured Party to KMD:

1. Goods consisting of all items of inventory described in the attached list entitled "Final Con-Vel Inventory at Oct. 5, 2022;"
2. Goods consisting of tooling described as follows:
  - a. Rubber molds located at vendor in Garrett, Indiana as set forth in attached part number list from RD Rubber Products Inc.; and
  - b. Other tooling located at Buyer's facility in Standish, Michigan consisting of the following items:
    - i. 50 broach bars;
    - ii. 200 hobs;
    - iii. Inner Race Grind Fixture; and
    - iv. Assembly tools and fixtures.
3. Accounts consisting of rights to payment for goods sold, services rendered or both from the parties described in the attached list entitled "Con-Vel, Inc. Open Customer Orders at Oct. 5, 2022;"
4. General intangibles consisting of rights to delivery of goods and services by the parties described in the attached list entitled "Con-Vel, Inc. Active Suppliers at Jun. 8, 2022;"
5. General intangibles consisting of intellectual property rights including know-how and trade secrets, in whatever medium or media contained, and software, described as follows:
  - a. 22 complete and validated production ready Rzeppa CV joint designs from size small V to large XA (see attached chart)
  - b. 4,379 ACAD product drawings to be delivered to KMD on an external hard drive
  - c. 10,000 paper product drawings stored in large drawing file
  - d. 5,000 paper tooling drawings stored in large drawing file
  - e. CV joint test reports from 1960s to present
  - f. CV joint sizing and selection software
  - g. CV joint design manuals

h. Material, heat-treatment and processing specifications

6. The trademark "CON-VEL" as used in International Classes 7 and 12 and all licenses relating thereto and all royalties and income with respect to any licenses, together with the entire goodwill of or associated with the businesses now or hereafter conducted by KMD connected with and symbolized by any of such properties and assets, and the following registrations of such trademark:

<b>Country</b>	<b>Registration Number</b>	<b>Renewal Deadline</b>
United States of America	5,610,076	November 20, 2024* November 20, 2028**
Canada	TMA135,668	May 8, 2024
United Kingdom	UK00000853230	August 22, 2028

\*Sections 8 and 15 Declaration

\*\*Section 8 Declaration and Renewal; and

7. All Proceeds of the above-described property and rights.