

07-08-2002

7-8-02

Form PTO-1595
(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

Tab settings ⇌ ⇌ ⇌ ▼



102146790

T

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Tractech, Inc.

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

6/28/02

Execution Date: _____

2. Name and address of receiving party(ies)

Name: Congress Financial Corporation (Central), as U.S. Collateral Agent

Internal Address: Suite 2200

Street Address: 150 S. Wacker Drive

City: Chicago State: IL Zip: 60606

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) _____

See Schedule A attached hereto.

B. Patent No.(s) _____

See Schedule A attached hereto.

Additional numbers attached? ☒ Yes ☐ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Linda R. Kastner

Internal Address: c/o Latham & Watkins

Suite 5800

Street Address: 233 S. Wacker Drive

City: Chicago State: IL Zip: 60606

6. Total number of applications and patents involved: 231

7. Total fee (37 CFR 3.41).....\$ 920.00

- ☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Linda R. Kastner

Name of Person Signing

Signature

7/3/02

Date

Total number of pages including cover sheet, attachments, and documents: 32

Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patents & Trademarks, Box Assignments
 Washington, D.C. 20231

07/09/2002 6TON11 00000067 4365524

01 FC:581

920.00 OP

PATENT
 REEL: 013045 FRAME: 0435

Schedule A
Continuation of Item 4

<u>Registration Number</u>
4365524
4424725
4625585
4677876
4751853
5048657
5221238
5524509
5582557
5590572
5664656
5671640
5715733
5727430
5836220
5865701
5885181
6076429
6209700
6309321
6374701

<u>Application Serial Number</u>
60/066,666
09/969,626

PATENT SECURITY AGREEMENT

(Tractech, Inc.)

THIS PATENT SECURITY AGREEMENT (the "Agreement") is made and entered into as of June 28, 2002 by TRACTECH, INC., a Delaware corporation (the "Debtor"), in favor of CONGRESS FINANCIAL CORPORATION (CENTRAL), an Illinois corporation, as U.S. collateral agent (together with its successors and assigns, the "U.S. Collateral Agent") for itself and the other Agent Parties (as defined below).

WITNESSETH:

WHEREAS, U.S. Collateral Agent, lenders ("U.S. Lenders") from time to time party to the U.S. Loan Agreement hereinafter defined, Delco Remy International, Inc., a Delaware corporation ("Parent") and entities listed on Schedule A hereto ("U.S. Subsidiary Borrowers"; and together with Parent, "U.S. Borrowers"), have entered or are about to enter into certain financing arrangements pursuant to which U.S. Collateral Agent and U.S. Lenders may make loans and advances and provide other financial accommodations to U.S. Borrowers as set forth in the Loan and Security Agreement, dated of even date herewith, among U.S. Borrowers, U.S. Collateral Agent and U.S. Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "U.S. Loan Agreement"), and other agreements, documents and instruments now or at any time executed and/or delivered in connection therewith, including, but not limited to, this Agreement (all of the foregoing, together with the U.S. Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "U.S. Financing Agreements"); terms used but not defined herein shall have the meanings ascribed to them in the U.S. Loan Agreement;

WHEREAS, Congress Financial Corporation (Canada), individually and as agent (in such capacity, "Canadian Agent") for itself and the lenders ("Canadian Lenders") from time to time party to the Canadian Loan Agreement hereinafter defined, Central Precision Limited, an Alberta corporation ("Canadian Borrower") and Canadian Lenders are party to certain financing arrangements pursuant to which Canadian Agent and Canadian Lenders may make loans and advances and provide other financial accommodations to Canadian Borrower as set forth in the Loan Agreement, dated of even date herewith, among Canadian Borrower, Canadian Agent and Canadian Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Canadian Loan Agreement"), and other agreements, documents and instruments now or at any time executed and/or delivered in connection therewith (all of the foregoing, together with the Canadian Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Canadian Financing Agreements");

WHEREAS, Burdale Financial Limited, a company registered in England and Wales, individually and as agent (in such capacity, "UK Agent") for itself and the lenders ("UK Lenders") from time to time party to the UK Loan Agreement (as defined below), Delco Remy UK Limited, a company registered in England and Wales ("Delco UK"), XL Component Distribution Limited, a company registered in England and Wales ("XL"), and Tractech (Ireland) Limited, a company registered in Ireland ("Tractech (Ireland)"); and together with Delco UK and

XL, "UK Borrowers") and UK Lenders are party to certain financing arrangements pursuant to which UK Agent and UK Lenders may make loans and advances and provide other financial accommodations to UK Borrowers as set forth in the Credit Agreement, dated of even date herewith, among Parent, UK Borrowers, UK Agent and the UK Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "UK Loan Agreement"), and other agreements, documents and instruments now or at any time executed and/or delivered in connection therewith (all of the foregoing, together with the UK Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "UK Financing Agreements");

WHEREAS, U.S. Borrowers, Canadian Borrower, UK Borrowers and any direct or indirect subsidiary of Parent ("Approved Foreign Borrower") organized and doing business outside of the United States (other than the UK Borrowers and the Canadian Borrowers) which has been approved by U.S. Collateral Agent in writing as qualified to receive, through an affiliate of U.S. Collateral Agent (or another financial institution acceptable to Agent), loans and other financial accommodations pursuant to a Multi-Jurisdictional Commitment are hereinafter referred to collectively as "Borrowers" and individually as a "Borrower." U.S. Collateral Agent, Canadian Agent, UK Agent, U.S. Lenders, Canadian Lenders, UK Lenders, any financial institution approved by Agent ("Approved Foreign Lender") which will provide loans and other financial accommodations to Approved Foreign Borrowers and any Approved Foreign Lender which will act as administrative agent and which will hold liens on assets of any Approved Foreign Borrower for the benefit of Approved Foreign Lenders and others ("Approved Foreign Collateral Agent") are hereinafter collectively referred to as "Agent Parties" and individually as an "Agent Party." The U.S. Financing Agreements, the Canadian Financing Agreements, the UK Financing Agreements, and any loan agreement, credit agreement, facilities agreement or other similar agreement among Approved Foreign Borrowers, Approved Foreign Lenders, and Approved Foreign Collateral Agents and all notes, guarantees, security agreements and other agreements, documents and instruments at any time executed and/or delivered in connection therewith, each as amended, restated or otherwise modified from time to time, are hereinafter collectively referred to as the "Financing Agreements";

WHEREAS, U.S. Collateral Agent is an agent for itself and the other Agent Parties pursuant to and in accordance with that certain Master Agency Agreement (the "Agency Agreement") dated as of the date hereof among U.S. Collateral Agent, Canadian Agent and UK Agent for purposes of realizing the benefits of this Agreement and other documents and agreements referenced therein and for purposes of enforcing the rights in the collateral provided by Borrowers, or any of them, and any of their respective affiliates from time to time party to Financing Agreements to one or more Agent Parties;

WHEREAS, Parent and certain of its direct and indirect subsidiaries have executed and delivered or are about to execute and deliver to U.S. Collateral Agent on behalf of Agent Parties guarantees (as amended, reaffirmed or otherwise modified from time to time, the "Guarantees") in favor of Agent Parties pursuant to which, *inter alia*, each such party absolutely and unconditionally guarantees to Agent Parties the payment and performance of certain now existing and hereafter arising obligations, liabilities and indebtedness of Borrowers, or any of

them, and any of their respective affiliates from time to time party to Financing Agreements to one or more Agent Parties; and

WHEREAS, Agent Parties have required, as a condition to the extension of credit to the Borrowers under the Financing Agreements, that the Debtor shall grant to U.S. Collateral Agent for the benefit of itself and the other Agent Parties a security interest in and to the Collateral (as defined herein).

AGREEMENT

NOW THEREFORE, in consideration of the premises and in order to induce Agent Parties to extend credit under the Financing Agreements, the Debtor hereby agrees with U.S. Collateral Agent as follows:

1. Creation of Security Interest. The Debtor hereby grants to U.S. Collateral Agent for the benefit of itself and the other Agent Parties a continuing first priority security interest in all of the Debtor's right, title and interest in and to the collateral described in Section 2 herein (the "Collateral") in order to secure the payment of the Obligations (as defined below) and all obligations of the Debtor now or hereafter existing under this Agreement including, without limitation, all fees, costs and expenses whether in connection with collection actions hereunder or otherwise (collectively, the "Secured Obligations"). "Obligations" shall mean any and all obligations, liabilities and indebtedness of every kind, nature and description (including the Guaranteed Obligations referenced in the Guarantees) owing by the Debtor to one or more Agent Parties and/or any of their respective affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under this Agreement, the Guarantees or any other Financing Agreement, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of this Agreement or after the commencement of any proceeding with respect to the Debtor under the United States Bankruptcy Code, the Bankruptcy and Insolvency Act (Canada), the Companies Creditors Arrangement Act (Canada), the Insolvency Act 1986 (UK) or any similar statute in any jurisdiction (including the payment of interest and other amounts which would accrue and become due but for the commencement of such proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by an Agent Party.

2. Collateral. The Collateral is all of the Debtor's patents, patent rights and patent applications which, in each case, are now or hereafter filed with the United States Patent and Trademark Office, or any similar office or agency of any other countries, or owned by Debtor in the United States or any other country, including, without limitation, the patents listed on Schedule B attached hereto and made a part hereof, and (i) reissues, continuations and extensions thereof, (ii) all income, royalties, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world and all proceeds of the foregoing (all of the foregoing patents, patent rights and patent applications together with the items described in

clauses (i)-(iv), are sometimes hereinafter referred to, either individually or collectively, as the "Patents").

3. License.

(a) Grant of License. Effective upon the occurrence and continuation of an Event of Default under and as defined in the U.S. Loan Agreement) and without any further action of the parties, the Debtor hereby grants to U.S. Collateral Agent for the benefit of itself and the other Agent Parties a non-exclusive, assignable right and license (i) under the Patents and (ii) under any license agreements held by the Debtor with respect to patents owned by any person or entity other than the Debtor, but only to the extent permitted under such agreements, to sell, manufacture or produce any collateral provided under the Financing Agreements to the extent that such license is reasonably necessary to permit or to facilitate the generation or collection, after an Event of Default, of any accounts receivable of Debtor or the disposition, after an Event of Default, of any such collateral (the "License"). The License shall be without royalty or any other payments or fees by U.S. Collateral Agent or the other Agent Parties and the permitted use by U.S. Collateral Agent and the other Agent Parties thereunder (i) shall be worldwide and (ii) shall be limited only by those restrictions to which the Debtor is subject under the Patents.

(b) Term of License. The term of the License (the "License Term") shall continue until the earlier of: (i) the expiration of all of the Patents; (ii) the indefeasible payment in full in cash of the Secured Obligations and termination of the Commitments, including Multi-Jurisdictional Commitment, and the Financing Agreements; or (iii) disposition of all Collateral and any proceeds thereof in connection with the enforcement of Agent Parties' remedies under the Financing Agreements and application of the proceeds of such disposition to the satisfaction of the Secured Obligations.

4. Restrictions on Future Agreements. Until the indefeasible payment in full in cash of all the Secured Obligations and termination of the "Commitments, including Multi-Jurisdictional Commitment, and the Financing Agreements, the Debtor will not, without U.S. Collateral Agent's prior written consent, which consent shall not be unreasonably withheld, (a) enter into any agreement, including, without limitation, any license agreement that is inconsistent with the Debtor's obligations under this Agreement and the other Financing Agreements to which the Debtor is a party, (b) take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any reasonable action (including, without limitation, the abandonment of any Patent), that would affect the validity or enforceability of the rights transferred to U.S. Collateral Agent and the other Agent Parties under this Agreement or (c) enter into any other contractual obligations which restrict or inhibit U.S. Collateral Agent's rights to sell or otherwise dispose of the Collateral or any part thereof after the occurrence of an Event of Default.

5. New Patents. The Debtor represents and warrants that the Patents listed on Schedule B constitute all of the patents, patent rights and patent applications which are as of the date hereof owned by or are pending on behalf of the Debtor in the United States Patent and Trademark Office or in any similar office or agency of any other countries. If, before the Secured Obligations shall have been satisfied in full, the Debtor shall (i) obtain any issued patent or apply for any patent after the date hereof in the United States Patent and Trademark Office or

in any similar office or agency of any other countries, or (ii) obtain ownership of any patents or patent applications in the United States or other countries, or (iii) enter into an agreement by which Debtor obtains an exclusive license under any third party's patents, patent rights or patent applications in the United States or other country, the provisions of Section 1 shall automatically apply thereto and the Debtor shall give to U.S. Collateral Agent prompt written notice thereof, provided in case of clause (iii) above, in the event of any license which by its terms prohibits assignment or a grant of a security interest hereunder, the Debtor shall use its reasonable efforts to obtain requisite consent, and upon obtaining such consent, Section 1 shall automatically apply thereto. The Debtor hereby authorizes U.S. Collateral Agent to modify this Agreement by amending Schedule B to include any future patent, patent rights and patent applications that are Patents, as applicable, under Section 2 or under this Section 5.

6. Additional Representations and Warranties. The Debtor hereby represents, warrants, covenants and agrees that:

(a) Except as may be authorized pursuant to Section 8 hereof, it is and will continue to be the owner of all its right, title and interest in the Collateral so long as the Patents shall continue in force, free from any lien in favor of any person or entity.

(b) It has the full right and power to grant the security interest in the Collateral made hereby.

(c) It has made no previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer, or encumbrance on any of the Collateral.

(d) So long as any Secured Obligation remains outstanding or the Financing Agreements have not been terminated, it will not execute, and there will not be on file in any public office, any financing statement or other document or instruments evidencing or giving notice of liens affecting the Collateral.

(e) To Debtor's knowledge, no material infringement or unauthorized use currently is being made of any of the Patents which would adversely affect the fair market value of the Collateral or the benefits of this Agreement granted to U.S. Collateral Agent and the other Agent Parties, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of U.S. Collateral Agent hereunder and the Debtor will continue to maintain commercially reasonable monitoring and enforcement practices to protect the Collateral.

7. Royalties; Terms. The Debtor hereby agrees that the use by U.S. Collateral Agent of all Patents as permitted hereunder shall be worldwide without any liability for royalties or other related charges from U.S. Collateral Agent or the other Agent Parties to the Debtor. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, or (ii) the time at which the Secured Obligations have been paid indefeasibly in full in cash and the Financing Agreements have been terminated.

8. Negative Covenant. The Debtor agrees not to sell or assign its interest in, or to grant any license under, any Patents without the prior written consent of U.S. Collateral Agent, which consent shall not be unreasonably withheld.

9. Duties of the Debtor. The Debtor shall (i) prosecute diligently any patent application that is part of the Patents pending as of the date hereof or thereafter until the Secured Obligations shall have been paid in full and the Financing Agreements shall have been terminated and (ii) unless the failure to do so would not reasonably be expected to have a material adverse effect on the Debtor's business (a) apply for patent protection, (b) preserve and maintain all rights in patents and patent applications that are part of the Patents, (c) not abandon any right to file a patent application nor any pending patent application if the value thereof could reasonably be expected to justify the cost of obtaining such patent, and (d) not abandon any given patent, provided, however, that the Debtor shall give U.S. Collateral Agent a 30 days' advance written notice of any discontinuance of any right or patent application or any abandonment described in clause (ii) of this Section 9. Any expenses incurred in connection with the applications referred to in this Section 9 shall be borne by the Debtor. The Debtor agrees to retain an experienced patent attorney for the filing and prosecution of all such applications and other proceedings.

Upon the occurrence and continuance of an Event of Default, if the Debtor fails to comply with any of the foregoing duties, U.S. Collateral Agent may so comply in the Debtor's name to the extent permitted by law, but at the Debtor's expense, and the Debtor hereby agrees to reimburse U.S. Collateral Agent in full for all expenses, including the reasonable fees and disbursements of attorneys and paralegals (including charges for inside counsel) incurred by U.S. Collateral Agent in protecting, defending and maintaining the Collateral.

In the event that the Debtor shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to discharge any lien, prohibited hereby, or shall fail to comply with any other duty hereunder, U.S. Collateral Agent may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of the Debtor and all moneys so paid out shall be Secured Obligations of the Debtor repayable on demand, together with interest at an interest rate equal to the highest rate set forth in paragraph c of the definition of "Interest Rate" of the U.S. Loan Agreement.

The Debtor shall take all commercially reasonable action to preserve and maintain the validity, perfection and first priority of U.S. Collateral Agent's security interest granted herein in the Collateral.

10. U.S. Collateral Agent's Right to Sue. Upon the occurrence and continuance of an Event of Default, U.S. Collateral Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Collateral, and any licenses thereunder, and, if U.S. Collateral Agent shall commence any such suit, the Debtor shall, at the request of U.S. Collateral Agent, do any and all lawful acts and execute any and all proper documents required by U.S. Collateral Agent in aid of such enforcement and the Debtor shall indemnify and shall, upon demand, promptly reimburse U.S. Collateral Agent for all damages, costs and expenses, including reasonable attorneys' and paralegal fees and expenses, incurred by U.S. Collateral Agent in the exercise of its rights under this Section 10.

11. Waivers. No course of dealing between the Debtor and U.S. Collateral Agent or the other Agent Parties, nor any failure to exercise, nor any delay in exercising, on the part of U.S. Collateral Agent or any other Agent Party, any right, power or privilege hereunder or under any Financing 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 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 Agreement in any jurisdiction. If any provision hereof shall render an otherwise valid Patent invalid or ineffective, then such provision shall be void ab initio to the extent that the validity or effectiveness of the Patent is thereby preserved.

13. Amendments and Waivers. Except as set forth in Section 5 hereof, neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of each of Debtor and U.S. Collateral Agent. Neither party shall, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of each of Debtor and U.S. Collateral Agent. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by either party of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which such party would otherwise have on any future occasion, whether similar in kind or otherwise.

14. Remedies. If any Event of Default exists, U.S. Collateral Agent shall be entitled to exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in any of the Financing Agreements or otherwise available to U.S. Collateral Agent, all of the rights and remedies of a secured party under the Uniform Commercial Code (the "UCC") whether or not the UCC applies to the affected Collateral, and also may (i) require the Debtor, and the Debtor hereby agrees that it will upon the request of U.S. Collateral Agent, forthwith, (A) execute and deliver an assignment, substantially in the form of Exhibit A hereto, of all right, title and interest in and to the Collateral, and (B) take such other action as U.S. Collateral Agent may reasonably request to effectuate the outright assignment of such Collateral or to exercise, register or further perfect and protect its rights and remedies with respect to such assigned Collateral, and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of U.S. Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such terms as U.S. Collateral Agent deems commercially reasonable. The Debtor agrees that at least ten (10) days' prior notice to the Debtor of the time and place of any public sale or the time which any private sale is to be made shall constitute reasonable notification. U.S. Collateral Agent shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. U.S. Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time

and place to which it was so adjourned. U.S. Collateral Agent or any other Agent Party may purchase all or any part of the Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may setoff the amount of such price against the Secured Obligations. The proceeds realized from the sale of any Collateral shall be, applied in the manner set forth in the U.S. Loan Agreement or Agency Agreement, as applicable. If any deficiency shall arise, the Debtor shall remain liable to U.S. Collateral Agent and the other Agent Parties therefor. The commencement of any action, legal or equitable, or the rendering of any judgment or decree for deficiency shall not affect U.S. Collateral Agent's security interest in the Collateral until the Secured Obligations are fully paid. The Debtor agrees that U.S. Collateral Agent and the other Agent Parties have no obligation to preserve rights to Collateral against any other parties.

15. Cumulative Remedies; Power of Attorney; Effect on the Other Financing Agreements. All of U.S. Collateral Agent's rights and remedies with respect to the Collateral, whether established hereby, by any other Financing Agreement or by law shall be cumulative and may be exercised singularly or concurrently. The Debtor hereby authorizes U.S. Collateral Agent to make, constitute and appoint any officer or agent of U.S. Collateral Agent as U.S. Collateral Agent may select, in its sole discretion, as the Debtor's true and lawful attorney-in-fact, with power, during the existence of an Event of Default to (a) endorse the Debtor's name on all applications, documents, papers and instruments necessary or desirable for U.S. Collateral Agent in the use of the Collateral including, without limitation, if the Debtor fails to execute and deliver within three (3) Business Days of U.S. Collateral Agent's written request therefor the assignment substantially in the form of Exhibit A hereto, (b) take any other actions with respect to the Collateral as U.S. Collateral Agent reasonably deems in the best interest of U.S. Collateral Agent, (c) grant or issue any exclusive or non-exclusive license under the Collateral to anyone, or (d) assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all Secured Obligations shall have been paid indefeasibly in full in cash and the Financing Agreements have been terminated. The Debtor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of U.S. Collateral Agent and the other Agent Parties under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies.

16. Notice. All notices, requests and demands hereunder shall be in writing and (a) made to U.S. Collateral Agent at the address set forth below and to the Debtor by delivering such notices in care of Parent at the address for the "Loan Party" set forth in Section 13.3 of the U.S. Loan Agreement, or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next Business Day, one (1) Business Day after sending; and if by certified mail, return receipt requested, five (5) days after mailing.

17. Continuing Security Interest; Transfer of Obligations. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and

effect until payment in full of the Secured Obligations and termination of the Financing Agreements, (ii) be binding upon the Debtor, its successors and assigns, and (iii) inure, together with the rights and remedies of U.S. Collateral Agent and the other Agent Parties hereunder, to the benefit of U.S. Collateral Agent and the other Agent Parties, and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii) and subject to the provisions of the Financing Agreements, U.S. Collateral Agent and/or any other Agent Party may assign or otherwise transfer any of the Secured Obligations and/or the "Obligations" as defined in the applicable Financing Agreements to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to U.S. Collateral Agent and/or such other Agent Party herein or otherwise.

18. Authority of U.S. Collateral Agent. U.S. Collateral Agent shall have and be entitled to exercise all powers hereunder which are specifically delegated to U.S. Collateral Agent in accordance with the terms hereof. U.S. Collateral Agent may perform any of its duties hereunder or in connection with the Collateral by or through agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. U.S. Collateral Agent and its directors, officers, employees, attorneys and agents shall be entitled to rely on any communication, instrument or document believed by it or them to be genuine and correct and to have been signed or sent by the proper person or persons. The Debtor agrees to indemnify and hold harmless U.S. Collateral Agent and the other Agent Parties and any other person acting on behalf of U.S. Collateral Agent or the other Agent Parties from and against any and all costs, expenses, including reasonable fees and expenses of attorneys and paralegals (including charges of inside counsel), claims or liability incurred by U.S. Collateral Agent or any other Agent Parties or such person hereunder, unless such claim or liability shall be due to willful misconduct or gross negligence on the part of U.S. Collateral Agent, the other Agent Parties or such person.

19. Waiver. To the fullest extent it may lawfully so agree, the Debtor agrees that it will not at any time insist upon, claim, plead, or take any benefit or advantage of any appraisalment, valuation, stay, extension, moratorium, redemption or similar law now or hereafter in force in order to prevent, delay, or hinder the enforcement hereof or the absolute sale of any part of the Collateral. The Debtor for itself and all who claim through it, so far as it or they now or hereafter lawfully may do so, hereby waives the benefit of all such laws, and all right to have the Collateral marshalled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose this Agreement may order the sale of the Collateral as an entirety. Without limiting the generality of the foregoing, the Debtor hereby: (i) authorizes U.S. Collateral Agent in its good faith discretion and without notice to or demand upon the Debtor and without otherwise affecting the obligations of the Debtor hereunder from time to time to take and hold other collateral (in addition to the Collateral) for payment of the Secured Obligations, or any part thereof, and to exchange, enforce or release such other collateral or any part thereof and to accept and hold any endorsement or guarantee of payment of the Secured Obligations, or any part thereof and to release or substitute any endorser or guarantor or any other person granting security for or in any other way obligated upon any Secured Obligations or any part thereof, and (ii) waives and releases any and all right to require U.S. Collateral Agent to collect any of the Secured Obligations from any specific item or items of the Collateral or from any other party liable as guarantor or in any other manner in respect of any of the Secured Obligations or from any collateral (other than the Collateral) for any of the Secured Obligations.

20. Interpretation of Agreement. Time is of the essence of each provision of this Agreement of which time is an element. All terms not defined herein shall have the meaning set forth in the UCC, except where the context otherwise requires.

21. Reinstatement. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by U.S. Collateral Agent or any other Agent Party in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by U.S. Collateral Agent or any other Agent Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Debtor or upon the appointment of any intervenor or conservator of, or trustee or similar official for, the Debtor or any substantial part of its assets, or otherwise, all as though such payments had not been made.

22. Final Expression. This Agreement, together with the other Financing Agreements to which the Debtor is a party, is intended by the parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

23. Survival of Provisions. All representations, warranties and covenants of the Debtor contained herein shall survive the execution and delivery of this Agreement, and shall terminate only upon the full and final payment and performance by the Debtor of the Secured Obligations and termination of the Financing Agreements.

24. Termination of Agreement. This Agreement shall terminate upon the indefeasible payment in full in cash of the Secured Obligations and termination of the Commitments, including Multi-Jurisdictional Commitment, and the Financing Agreements. At such time, U.S. Collateral Agent shall, at the request of the Debtor, reassign and redeliver to the Debtor all of the collateral of Debtor hereunder which has not been sold, disposed of, retained or applied by U.S. Collateral Agent in accordance with the terms hereof. Such reassignment and redelivery shall be without warranty by or recourse to U.S. Collateral Agent, except as to the absence of any prior assignments by U.S. Collateral Agent of its interest in the Collateral, and shall be at the expense of the Debtor.

25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same agreement.

26. Governing Law; Submission To Jurisdiction; Waiver Of Jury Trial; Waiver Of Damages.

(a) The validity, interpretation and enforcement of this Agreement and any dispute arising out of the relationship between any of Debtor and Agent Parties, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York.

(b) Debtor hereby irrevocably consents and submits to the non-exclusive jurisdiction of the state and federal courts located in Cook County, City of Chicago, Illinois and the Borough of Manhattan, City of New York, New York and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or in any way connected with or related or incidental to the dealings of any of Debtor and Agent Parties in respect of this Agreement or the transactions related hereto, in each case whether now existing or hereafter arising and whether in contract, tort, equity or otherwise, and agrees that any dispute with respect to such matters shall be heard in the courts described above (except that U.S. Collateral Agent on behalf of Agent Parties shall have the right to bring any action or proceeding against any Debtor or its property in the courts of any other jurisdiction which U.S. Collateral Agent deems necessary or appropriate in order to realize on any Collateral at any time granted by Debtor to any Agent Party or to otherwise enforce its rights against Debtor or its property).

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth on the signature pages hereof and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at U.S. Collateral Agent's option, by service upon Debtor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Debtor shall appear in answer to such process, failing which Debtor shall be deemed in default and judgment may be entered by U.S. Collateral Agent on behalf of Agent Parties against Debtor for the amount of the claim and other relief requested.

(d) DEBTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF ANY OF DEBTOR AND AGENT PARTIES IN RESPECT OF THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR U.S. COLLATERAL AGENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND U.S. COLLATERAL AGENT TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) No Agent Party shall have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on such Agent Party that the losses were the result of acts or omissions by such Agent Party constituting gross negligence or willful misconduct. In any such litigation, Agent Parties shall be entitled to the benefit of the rebuttable presumption that they acted in good faith and with the exercise of ordinary care in the performance by it of the terms of the Financing Agreements.

27. Further Assurances. At any time and from time to time, upon the written request of U.S. Collateral Agent and at the sole expense of the Debtor, the Debtor shall promptly and duly execute and deliver any and all such further instruments, schedules and documents and take such further actions as U.S. Collateral Agent may reasonably request to obtain the full benefits of this Agreement and of the rights and powers herein granted, including (i) using commercially reasonable efforts to secure all consents and approvals necessary or appropriate for the assignment to or for the benefit of U.S. Collateral Agent of any Collateral held by the Debtor or in which Debtor has any rights not heretofore assigned, and (ii) filing any additional security agreements with the United States Patent and Trademark Office.

[Next page is signature page]

IN WITNESS WHEREOF, the Debtor has duly executed and delivered this Agreement as of the day and year first above written.

TRACTECH, INC.,
a Delaware corporation

By: David E. Stoll
David E. Stoll,
Vice President

By acceptance hereof as of this 25th day of June 2002, U.S.
Collateral Agent on behalf of itself and the other Agent Parties agrees to be bound by the
provisions hereof.

CONGRESS FINANCIAL CORPORATION
(CENTRAL), an Illinois corporation, as U.S.
Collateral Agent

By: Mary Mc Guire
Title: Vice President

Address:
150 South Wacker Drive, Suite 2200
Chicago, Illinois 60606
Attention: Anthony Vizgirda
Telephone: (312) 332-0420
Facsimile: (312) 332-0424

SCHEDULE A
TO
PATENT SECURITY AGREEMENT

Dated as of June 28, 2002

U.S. Subsidiary Borrowers

Delco Remy America, Inc., a Delaware corporation
DR Sales, Inc., a Delaware corporation
Engine Master, L.P., a Delaware limited partnership
Franklin Power Products, Inc., an Indiana corporation
HSG I, Inc, a Delaware corporation
HSG II, Inc, a Delaware corporation
International Fuel Systems, Inc., an Indiana corporation
JAX Reman, L.L.C., a Delaware limited liability company
Kraftube, Inc., a Michigan corporation
M. & M. Knopf Auto Parts, L.L.C., a Delaware limited
liability company
Magnum Power Products, L.L.C., a Delaware limited liability
company
NABCO, Inc., a Michigan corporation
Powrbilt Products, Inc., a Texas corporation
Remy Logistics, L.L.C., a Delaware limited liability company
Remy Reman, L.L.C., a Delaware limited liability company
Tractech, Inc., a Delaware corporation
Williams Technologies, Inc., a South Carolina corporation
World Wide Automotive, Inc., a Virginia corporation

Schedule A

CH_DOCS\406136.6[W2000]

015604-0178

PATENT
REEL: 013045 FRAME: 0450

SCHEDULE B
TO
PATENT SECURITY AGREEMENT

Dated as of June 28, 2002

Tractech, Inc.

<u>Patent Description</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiration Date</u>
Torque Proportioning Differential with	U.S. 4365524	Dec. 28, 1982	Sept. 5, 2000
Locking Differential Mechanism with Improved Holdout Ring & Spring Retainer	U.S. 4424725	Jan. 10, 1984	Jan. 10, 2001
Torque-Proportioning Differential with Sectional Housing	U.S. 4625585	Dec. 2, 1986	Jan. 9, 2005
Torque-Proportioning Differential with Cylindrical Spacer	U.S. 4677876	July 7, 1987	July 7, 2004
Differential with Equal Depth Pinion Cavities	U.S. 4751853	June 21, 1988	Sept. 12, 2006
Centrifugal Clutch with Vibration Dampening Means	U.S. 5048657	Sept. 17, 1991	Dec. 26, 2009
Differential with Preload Means & Sectional Spacer Means	U.S. 5221238	June 22, 1993	Aug. 21, 2012
Differential with Preload Spring Means	U.S. 5524509	June 11, 1996	Jan. 18, 2015
Hydraulically-Operable Locking Differential with In-Line Piston Means	U.S. 5582557	Dec. 10, 1996	June 7, 2015
Locking Differential Including Access Windows for C-Clip Retainers	U.S. 5590572	Jan. 7, 1997	July 28, 2015
Centrifugal Clutch	U.S. 5664656	Sept. 9, 1997	Aug. 13, 2016
Locking Differential with Pre-Load Means &	U.S. 5671640	Sept. 30, 1997	Apr. 30, 2016

Schedule B- 1

CH\DOCS\406136.6[W2000]

015604-0178

**PATENT
REEL: 013045 FRAME: 0451**

C-Clip Retainers			
Locking Differential Including A Spring Cap Biasing Assembly	U.S. 5715733	Feb. 10, 1998	Nov. 25, 2016
Locking Differential Including Friction Pack Clutch Means	U.S. 5727430	Mar. 17, 1998	Oct. 24, 2016
Locking Differential With Pin Access Window	U.S. 5836220	Nov. 17, 1998	Apr. 17, 2017
Hydraulically-Operable Locking Differential Including Adjustable Retainer Ring Ducting	U.S. 5865701	Feb. 1, 1999	Dec. 19, 2016
Helical gear differential including lubrication passage means	U.S. 5885181	Mar. 23, 1999	July 29, 2017
Clutch for A Differential	U.S. 6076429	June 20, 2000	Mar. 4, 2019
Electric Clutch Including Resilient Disk Biasing Means	U.S. 6209700	Apr. 3, 2001	Sept. 27, 2019
Fully-Locking Torque-Proportioning Differential	U.S. 6309321	Oct. 30, 2001	Aug. 11, 2020
Gearless Differential	U.S. 6374701	Apr. 23, 2002	Oct. 22, 2019
Improved Differential Including Friction Pack Clutch Means	Australia 725225	Jan. 25, 2001	Oct. 10, 2017
Helical Gear Differential Including Lubrication Passage Means	Australia 720791	Sept 28, 2000	July 28, 2018
Hydraulically Operable Locking Differential Including Adjustable Retainer Ring	Belgium	Relates to EPO 0849501; still in national phase	Nov. 18, 2017
Locking Differential Including A Spring Cap Biasing Assembly	Canada 2218834	Nov. 6, 2001	Nov. 10, 2017
Centrifugal Clutch	Czech Rep. 288399	Apr. 10, 2001	June 4, 2017

Schedule B- 2

015604-0178

CH_DOCS\406136.6[W2000]

PATENT
REEL: 013045 FRAME: 0452

Hydraulically Operable Locking Differential Including Adjustable Retainer Ring	Europe 0849501	Feb. 27, 2002	Nov. 18, 2017
Improved Differential Including Friction Pack Clutch Means	Europe 0838612	not available	Oct. 1, 2017
Centrifugal Clutch	Gr. Britain 2316138	Marc. 15, 2000	Mar. 13, 2017
Helical Gear Differential Including Lubrication Passage Means	Gr. Britain 2327722	Dec. 19, 2001	May 20, 2018
Centrifugal Clutch	Ireland 81520	Jan. 24, 2001	Apr. 15, 2017
Helical Gear Differential Including Lubrication Passage Means	Japan 3286810	Mar. 15, 2002	July 28, 2018
Improved Differential Including Friction Pack Clutch Means	Korea 282763	Nov. 30, 2000	Oct. 23, 2017
Helical Gear Differential Including Lubrication Passage Means	Korea 284598	Dec. 20, 2000	July 3, 2018
Locking Differential Including A Spring Cap Assembly	Mexico 204244	not available	Nov. 19, 2017
Locking Differential With Pin Access Window	Mexico 204245	not available	Nov. 27, 2017

<u>Patent Application</u>	<u>Application Serial Number</u>	<u>Application Date</u>
Full-Complement Multi-Directional Coupling	U.S. 60/066,666	Nov. 26, 1997
Locking Differential Including Improved Clutch Member & Adapter Sleeve	U.S. 09/969,626	Oct. 4, 2001
Locking Differential Including A Spring Cap Biasing Assembly	Australia 693062	Nov. 25, 1997
Improved Differential Including Friction Pack Clutch Means	Belgium - Designated under EPO appln.; EPO Pat. No. 0838612 granted; Belgian particulars not yet available	not available

Schedule B- 3

015604-0178

CH_DOCS\406136.6[W2000]

PATENT
REEL: 013045 FRAME: 0453

Hydraulically Operable Locking Differential Including Adjustable	Belgium - Designated under EPO appln.; EPO Pat. No. 0849501 granted; Belgian particulars not yet available	not available
Improved Differential Including Friction Pack Clutch Means	Canada 2214962	Sept. 22, 1997
Hydraulically Operable Locking Differential Including Adjustable Retainer Ring	Canada 2219369	Nov. 13, 1997
Locking Differential With Pin Access Window	Canada 2219515	Nov. 18, 1997
Electric Clutch Including Resilient Disk Biasing Means	Canada 2315961	Aug. 15, 2000
Improved Gearless Differential	Canada 2323278	Oct. 12, 2000
Fully-Locking Torque-Proportioning Differential	Canada 2353297	July 19, 2001
Improved Differential Including Friction Pack Clutch Means	China 97121313.5	Oct. 24, 1997
Fully-Locking Torque-Proportioning Differential	China 01124984.6	Aug. 8, 2001
Fully-Locking Torque-Proportioning Differential	Europe 01904811.5	Aug. 2, 2001
Improved Differential Including Friction Pack Clutch Means	Finland - Designated under EPO appln.; EPO Pat. No. 0838612 granted; Finish particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	Finland - Designated under EPO appln.; EPO Pat. No. 0849501 granted; Finish particulars not yet available	not available
Electric Clutch Including Resilient Disk Biasing Means	France 00-10972	Aug. 24, 2000
Centrifugal Clutch	France 97-07615	June 17, 1997
Improved Differential Including Friction Pack Clutch Means	France - Designated under EPO appln.; EPO Pat. No. 0838612 granted; French particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	France - Designated under EPO appln.; EPO Pat. No. 0849501 granted; French particulars not yet available	not available
Fully-Locking Torque-Proportioning Differential	France - Designated under Europe apln. 01904811.5	Aug. 2, 2001

Schedule B- 4

015604-0178

CH_DOCS\406136.6[W2000]

PATENT
REEL: 013045 FRAME: 0454

Improved Differential Including Friction Pack Clutch Means	Germany - Designated under EPO appln.; EPO Pat. No. 0838612 granted; German particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	Germany - Designated under EPO appln.; EPO Pat. No. 0849501 granted; German particulars not yet available	not available
Fully-Locking Torque-Proportioning Differential	Germany - Designated under Europe apln. 01904811.5	Aug. 2, 2001
Improved Differential Including Friction Pack Clutch Means	Gr. Britain - Designated under EPO appln.; EPO Pat. No. 0838612 granted; British particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	Gr. Britain - Designated under EPO appln.; EPO Pat. No. 0849501 granted; British particulars not yet available	not available
Fully-Locking Torque-Proportioning Differential	Gr. Britain - Designated under Europe apln. 01904811.5	Aug. 2, 2001
Electric Clutch Including Resilient Disk Biasing Means	Ireland 2000/1646	Aug. 16, 2000
Improved Differential Including Friction Pack Clutch Means	Italy - Designated under EPO appln.; EPO Pat. No. 0838612 granted; Italian particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	Italy - Designated under EPO appln.; EPO Pat. No. 0849501 granted; Italian particulars not yet available	not available
Fully-Locking Torque-Proportioning Differential	Italy - Designated under Europe apln. 01904811.5	Aug. 2, 2001
Improved Differential Including Friction Pack Clutch Means	Japan 291118/97	Oct. 23, 1997
Helical Gear Type Differential Apparatus	Japan H10-330297	Nov. 20, 1998
Centrifugal Clutch	Japan 108523/97	Apr. 25, 1997
Locking Differential Including A Spring Cap Biasing Assembly	Japan 323045/97	Nov. 25, 1997
Fully-Locking Torque-Proportioning Differential	Japan 2002-519817	Sept. 18, 2001
Fully-Locking Torque-Proportioning Differential	Mexico PAa2000/007826	Aug. 2, 2001

Schedule B- 5

015604-0178

CH\DOCS\406136.6[W2000]

PATENT
REEL: 013045 FRAME: 0455

Improved Gearless Differential	Mexico 010248	Oct. 19, 2000
Electric Clutch Including Resilient Disk Biasing Means	Mexico 009274	Sept. 22, 2000
Fully-Locking Torque-Proportioning Differential	PCT PCT/US 01/00671	Jan. 30, 2001
Fully-Locking Torque-Proportioning Differential	So. Korea 9694/2001	Feb. 26, 2001
Improved Differential Including Friction Pack Clutch Means	Sweden - Designated under EPO appln.; EPO Pat. No. 0838612 granted; Swedish particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	Sweden - Designated under EPO appln.; EPO Pat. No. 0849501 granted; Swedish particulars not yet available	not available

Schedule B- 6

015604-0178

CH_DOCS\406136.6[W2000]

PATENT
REEL: 013045 FRAME: 0456

EXHIBIT A

FORM OF ASSIGNMENT

ASSIGNMENT OF PATENTS

THIS ASSIGNMENT OF PATENTS ("Assignment") is made as of _____, 200_ by and between TRACTECH, INC., a Delaware corporation ("Assignor"), in favor of CONGRESS FINANCIAL CORPORATION (CENTRAL) as U.S. Collateral Agent for itself and the other Agent Parties (as defined in the Agreement referenced below) ("Assignee").

Recitals

WHEREAS, Assignor and Assignee are parties to that certain Patent Security Agreement dated as of June 28, 2002 made by Assignor to Assignee (the "Agreement") providing that under certain conditions specified therein Assignor shall execute this Assignment; and

WHEREAS, the aforementioned conditions have been fulfilled;

NOW THEREFORE, Assignor hereby agrees as follows:

1. Assignment of Patents. Assignor hereby grants, assigns and conveys to Assignee for the benefit of Assignee and the other Agent Parties its entire right, title and interest in and to the patents and patent applications listed on Schedule I attached hereto and made a part hereof, and (i) reissues, continuations and extensions thereof, (ii) all income, royalties, damages, payments and other proceeds now and hereafter due or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing are sometimes hereinafter referred to, either individually or collectively, as the "Patents"). The Patents are collectively referred to herein as the "Collateral".

2. Representations and Warranties. Assignor represents and warrants that it has the full right and power to make the assignment of the Collateral made hereby and that it has made no previous assignment, transfer, agreement in conflict herewith or constituting a present or future assignment or encumbrance of any or all of the Collateral, except as set forth in the Agreement.

3. Modification. This Assignment cannot be altered, amended or modified in any way, except by a writing signed by the parties hereto.

4. Binding Effect; Governing Law. This Assignment shall be binding upon Assignor and its successors and shall inure to the benefit of Assignee and its successors and assigns. This Assignment shall, except to the extent that federal law or laws of another state

apply to the Collateral or any part thereof, be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed and delivered as of the date first above written.

TRACTECH, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

SCHEDULE I

Tractech, Inc.

<u>Patent Description</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Expiration Date</u>
Torque Proportioning Differential with	U.S. 4365524	Dec. 28, 1982	Sept. 5, 2000
Locking Differential Mechanism with Improved Holdout Ring & Spring Retainer	U.S. 4424725	Jan. 10, 1984	Jan. 10, 2001
Torque-Proportioning Differential with Sectional Housing	U.S. 4625585	Dec. 2, 1986	Jan. 9, 2005
Torque-Proportioning Differential with Cylindrical Spacer	U.S. 4677876	July 7, 1987	July 7, 2004
Differential with Equal Depth Pinion Cavities	U.S. 4751853	June 21, 1988	Sept. 12, 2006
Centrifugal Clutch with Vibration Dampening Means	U.S. 5048657	Sept. 17, 1991	Dec. 26, 2009
Differential with Preload Means & Sectional Spacer Means	U.S. 5221238	June 22, 1993	Aug. 21, 2012
Differential with Preload Spring Means	U.S. 5524509	June 11, 1996	Jan. 18, 2015
Hydraulically-Operable Locking Differential with In-Line Piston Means	U.S. 5582557	Dec. 10, 1996	June 7, 2015
Locking Differential Including Access Windows for C-Clip Retainers	U.S. 5590572	Jan. 7, 1997	July 28, 2015
Centrifugal Clutch	U.S. 5664656	Sept. 9, 1997	Aug. 13, 2016
Locking Differential with Pre-Load Means & C-Clip Retainers	U.S. 5671640	Sept. 30, 1997	Apr. 30, 2016
Locking Differential Including A Spring Cap Biasing Assembly	U.S. 5715733	Feb. 10, 1998	Nov. 25, 2016

Sch I-1

CH_DOCS\406136.6[W2000]

015604-0178

**PATENT
REEL: 013045 FRAME: 0459**

Locking Differential Including Friction Pack Clutch Means	U.S. 5727430	Mar. 17, 1998	Oct. 24, 2016
Locking Differential With Pin Access Window	U.S. 5836220	Nov. 17, 1998	Apr. 17, 2017
Hydraulically-Operable Locking Differential Including Adjustable Retainer Ring Ducting	U.S. 5865701	Feb. 1, 1999	Dec. 19, 2016
Helical gear differential including lubrication passage means	U.S. 5885181	Mar. 23, 1999	July 29, 2017
Clutch for A Differential	U.S. 6076429	June 20, 2000	Mar. 4, 2019
Electric Clutch Including Resilient Disk Biasing Means	U.S. 6209700	Apr. 3, 2001	Sept. 27, 2019
Fully-Locking Torque-Proportioning Differential	U.S. 6309321	Oct. 30, 2001	Aug. 11, 2020
Gearless Differential	U.S. 6374701	Apr. 23, 2002	Oct. 22, 2019
Improved Differential Including Friction Pack Clutch Means	Australia 725225	Jan. 25, 2001	Oct. 10, 2017
Helical Gear Differential Including Lubrication Passage Means	Australia 720791	Sept 28, 2000	July 28, 2018
Hydraulically Operable Locking Differential Including Adjustable Retainer Ring	Belgium	Relates to EPO 0849501; still in national phase	Nov. 18, 2017
Locking Differential Including A Spring Cap Biasing Assembly	Canada 2218834	Nov. 6, 2001	Nov. 10, 2017
Centrifugal Clutch	Czech Rep. 288399	Apr. 10, 2001	June 4, 2017

Hydraulically Operable Locking Differential Including Adjustable Retainer Ring	Europe 0849501	Feb. 27, 2002	Nov. 18, 2017
Improved Differential Including Friction Pack Clutch Means	Europe 0838612	not available	Oct. 1, 2017
Centrifugal Clutch	Gr. Britain 2316138	Marc. 15, 2000	Mar. 13, 2017
Helical Gear Differential Including Lubrication Passage Means	Gr. Britain 2327722	Dec. 19, 2001	May 20, 2018
Centrifugal Clutch	Ireland 81520	Jan. 24, 2001	Apr. 15, 2017
Helical Gear Differential Including Lubrication Passage Means	Japan 3286810	Mar. 15, 2002	July 28, 2018
Improved Differential Including Friction Pack Clutch Means	Korea 282763	Nov. 30, 2000	Oct. 23, 2017
Helical Gear Differential Including Lubrication Passage Means	Korea 284598	Dec. 20, 2000	July 3, 2018
Locking Differential Including A Spring Cap Assembly	Mexico 204244	not available	Nov. 19, 2017
Locking Differential With Pin Access Window	Mexico 204245	not available	Nov. 27, 2017

<u>Patent Application</u>	<u>Application Serial Number</u>	<u>Application Date</u>
Full-Complement Multi-Directional Coupling	U.S. 60/066,666	Nov. 26, 1997
Locking Differential Including Improved Clutch Member & Adapter Sleeve	U.S. 09/969,626	Oct. 4, 2001
Locking Differential Including A Spring Cap Biasing Assembly	Australia 693062	Nov. 25, 1997
Improved Differential Including Friction Pack Clutch Means	Belgium - Designated under EPO appln.; EPO Pat. No. 0838612 granted; Belgian particulars not yet available	not available

Sch I-3

015604-0178

CH_DOCS\406136.6[W2000]

PATENT
REEL: 013045 FRAME: 0461

Hydraulically Operable Locking Differential Including Adjustable	Belgium - Designated under EPO appln.; EPO Pat. No. 0849501 granted; Belgian particulars not yet available	not available
Improved Differential Including Friction Pack Clutch Means	Canada 2214962	Sept. 22, 1997
Hydraulically Operable Locking Differential Including Adjustable Retainer Ring	Canada 2219369	Nov. 13, 1997
Locking Differential With Pin Access Window	Canada 2219515	Nov. 18, 1997
Electric Clutch Including Resilient Disk Biasing Means	Canada 2315961	Aug. 15, 2000
Improved Gearless Differential	Canada 2323278	Oct. 12, 2000
Fully-Locking Torque-Proportioning Differential	Canada 2353297	July 19, 2001
Improved Differential Including Friction Pack Clutch Means	China 97121313.5	Oct. 24, 1997
Fully-Locking Torque-Proportioning Differential	China 01124984.6	Aug. 8, 2001
Fully-Locking Torque-Proportioning Differential	Europe 01904811.5	Aug. 2, 2001
Improved Differential Including Friction Pack Clutch Means	Finland - Designated under EPO appln.; EPO Pat. No. 0838612 granted; Finish particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	Finland - Designated under EPO appln.; EPO Pat. No. 0849501 granted; Finish particulars not yet available	not available
Electric Clutch Including Resilient Disk Biasing Means	France 00-10972	Aug. 24, 2000
Centrifugal Clutch	France 97-07615	June 17, 1997
Improved Differential Including Friction Pack Clutch Means	France - Designated under EPO appln.; EPO Pat. No. 0838612 granted; French particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	France - Designated under EPO appln.; EPO Pat. No. 0849501 granted; French particulars not yet available	not available
Fully-Locking Torque-Proportioning Differential	France - Designated under Europe apln. 01904811.5	Aug. 2, 2001

Sch I-4

015604-0178

CH_DOCS\406136.6\W2000]

PATENT
REEL: 013045 FRAME: 0462

Improved Differential Including Friction Pack Clutch Means	Germany - Designated under EPO appln.; EPO Pat. No. 0838612 granted; German particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	Germany - Designated under EPO appln.; EPO Pat. No. 0849501 granted; German particulars not yet available	not available
Fully-Locking Torque-Proportioning Differential	Germany - Designated under Europe apln. 01904811.5	Aug. 2, 2001
Improved Differential Including Friction Pack Clutch Means	Gr. Britain - Designated under EPO appln.; EPO Pat. No. 0838612 granted; British particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	Gr. Britain - Designated under EPO appln.; EPO Pat. No. 0849501 granted; British particulars not yet available	not available
Fully-Locking Torque-Proportioning Differential	Gr. Britain - Designated under Europe apln. 01904811.5	Aug. 2, 2001
Electric Clutch Including Resilient Disk Biasing Means	Ireland 2000/1646	Aug. 16, 2000
Improved Differential Including Friction Pack Clutch Means	Italy - Designated under EPO appln.; EPO Pat. No. 0838612 granted; Italian particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	Italy - Designated under EPO appln.; EPO Pat. No. 0849501 granted; Italian particulars not yet available	not available
Fully-Locking Torque-Proportioning Differential	Italy - Designated under Europe apln. 01904811.5	Aug. 2, 2001
Improved Differential Including Friction Pack Clutch Means	Japan 291118/97	Oct. 23, 1997
Helical Gear Type Differential Apparatus	Japan H10-330297	Nov. 20, 1998
Centrifugal Clutch	Japan 108523/97	Apr. 25, 1997
Locking Differential Including A Spring Cap Biasing Assembly	Japan 323045/97	Nov. 25, 1997
Fully-Locking Torque-Proportioning Differential	Japan 2002-519817	Sept. 18, 2001
Fully-Locking Torque-Proportioning Differential	Mexico PAa2000/007826	Aug. 2, 2001

Sch I-5

015604-0178

CH_DOCS\406136.6[W2000]

PATENT
REEL: 013045 FRAME: 0463

Improved Gearless Differential	Mexico 010248	Oct. 19, 2000
Electric Clutch Including Resilient Disk Biasing Means	Mexico 009274	Sept. 22, 2000
Fully-Locking Torque-Proportioning Differential	PCT PCT/US 01/00671	Jan. 30, 2001
Fully-Locking Torque-Proportioning Differential	So. Korea 9694/2001	Feb. 26, 2001
Improved Differential Including Friction Pack Clutch Means	Sweden - Designated under EPO appln.; EPO Pat. No. 0838612 granted; Swedish particulars not yet available	not available
Hydraulically Operable Locking Differential Including Adjustable	Sweden - Designated under EPO appln.; EPO Pat. No. 0849501 granted; Swedish particulars not yet available	not available

Sch I-6

015604-0178

CH_DOCS\406136.6[W2000]

RECORDED: 07/08/2002

PATENT
REEL: 013045 FRAME: 0464