

Form PTO-1595

(Rev. 10/02)

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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):

1-2-03

T-H Licensing, Inc.

2. Name and address of receiving party(ies)

Name: General Electric Capital Corporation

Internal Address: _____

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

3. Nature of conveyance:

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

Street Address: 1100 Abernathy Road

Suite 900

City: Atlanta State: GA Zip: 30328

Execution Date: November 21, 2002

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)

B. Patent No.(s)

5478290

5489013

5616097

Additional numbers attached? Yes No

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

Name: King & Spalding

Internal Address: Attn: Deborah Corey

Street Address: 191 Peachtree Street

City: Atlanta State: GA Zip: 30303

6. Total number of applications and patents involved:

7. Total fee (37 CFR 3.41).....\$120.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Deborah Corey
Name of Person Signing

Deborah Corey
Signature

December 31, 2002
Date

01/02/2003 DBYRME 00000087 5478290

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

01 FC:8021

120.00 documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

PATENT SECURITY AGREEMENT
(T-H Licensing, Inc.)

THIS PATENT SECURITY AGREEMENT dated as of November 21, 2002, is made by T-H LICENSING, INC., a Delaware corporation having an address at 103 Springer Building, 3411 Silverside Road, Wilmington, Delaware 19810 ("Grantor"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation, successor to General Electric Capital Corporation, a New York corporation, having an address at 1100 Abernathy Road, Suite 900, Atlanta, Georgia 30328 ("GE Capital"), as Agent (GE Capital, in such capacity, the "Agent") for itself and the other Lenders (collectively, "Lenders") that are or become party to the "Loan Agreement" hereinafter referred to.

RECITALS

A. Pursuant to that certain Amended and Restated Loan Agreement, dated as of December 31, 1999 (as amended, modified or restated from time to time, the "Loan Agreement"), entered into by and among Fairfield Manufacturing Company, Inc., a Delaware corporation ("Borrower"), Agent and Lenders, Lenders have made a certain term loan to Borrower, have established a revolving loan and letter of credit facility for Borrower and have made or agreed to make certain other financial accommodations for Borrower.

B. Grantor is a wholly-owned Subsidiary of Borrower and has realized and expects to realize direct and indirect benefits as a result of the extension of such loans and other financial accommodations.

C. Grantor and the Agent have entered into the Subsidiary Guaranty and the Subsidiary Security Agreement (as those terms are defined in the Loan Agreement). Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Subsidiary Security Agreement.

D. Pursuant to the Subsidiary Security Agreement, Grantor has granted to the Agent, for its benefit and the ratable benefit of Lenders, a security interest in (among other property) all of the "Patent Collateral" (as defined below), as security for all of the Secured Obligations.

E. The Agent has requested that Grantor execute and deliver this Agreement to further evidence the Agent's rights in and to the Patent Collateral and Grantor is willing to do so.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. As further security for all of the Secured Obligations, Grantor hereby grants to the Agent, for its benefit and the ratable benefit of the Lenders, a security interest in all of Grantor's right, title and interest in, to and under the following, whether now owned or hereafter acquired by Grantor or in which Grantor now has or hereafter acquires or develops any rights and wherever located (collectively, the "Patent Collateral"):

(a) all letters patent of the United States and all applications for letters patent of the United States, including, without limitation, the patents and patent applications referred to in Schedule I hereto and any reissues, reexaminations, continuations, continuations in part, divisions, reexaminations and extensions of any of the foregoing; and

(b) all written agreements granting any right to use any patents or patent applications ("Patent Licenses"), including, without limitation, the Patent Licenses, if any, referred to in Schedule I hereto and the rights of Grantor to collect royalties now or hereafter arising under any licenses of patents now or hereafter granted by Grantor to any Person;

(c) all Proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Patent Collateral, including, without limitation, any patent, patent application or patent license referred to in Schedule I;

provided, however, that the foregoing grant of a security interest shall not include a security interest in, and the Patent Collateral shall not include a security interest in, any Patent License to the extent that the granting of a security interest in such license is prohibited by the terms thereof and such prohibition is enforceable under applicable law; provided, further, that upon the termination or expiration of such prohibition as to any such Patent License, such Patent License shall become subject to the security interest hereunder and shall thereafter be deemed to be Patent Collateral.

2. Grantor does hereby further acknowledge and affirms that the representations, warranties and covenants of Grantor with respect to the Patent Collateral and the rights and remedies of the Agent with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in Subsidiary Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

3. This Agreement shall terminate upon payment in full of all Secured Obligations and termination of the Loan Agreement. Upon termination of this Agreement, the Agent shall, at the expense of Grantor, execute and deliver to Grantor all deeds, assignments and other instruments as Grantor may reasonably request to revert in Grantor full title to the Patent Collateral, subject to any disposition thereof which may have been made by the Agent pursuant hereto or pursuant to Subsidiary Security Agreement.

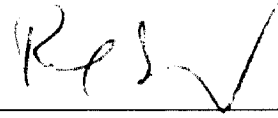
4. If at any time before the termination of this Agreement pursuant to Section 3 hereof, Grantor shall apply for or otherwise obtain rights in any letters patent issued in the United States, or any application for letters patent of the United States or any reissue, division, continuation, renewal, extension or continuation-in-part of any of the foregoing, the provisions of Section 1 shall automatically apply thereto and Grantor shall give to the Agent prompt notice in writing of any such patent or patent application used in Grantor's business. Grantor authorizes the Agent to modify this Agreement by amending Schedule I to include any of the foregoing which are Patent Collateral under Section 1 hereof or under this Section 4.

5. Grantor does hereby further acknowledge and affirm that the sections of the Subsidiary Security Agreement entitled "Notices", "Severability", "No Waiver; Cumulative

Remedies", "Successors and Assigns, Governing Law" and "Waiver of Jury Trial" are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Agreement to be duly executed by its officers thereunto duly authorized as of the date first above written.

T-H LICENSING, INC.

By: 

Paul S. Levy
Chief Executive Officer

STATE OF New York
COUNTY OF New York

On November 21, 2002, before me the undersigned, personally appeared PAUL S. LEVY, personally known to me (or provided to me on the basis of satisfactory evidence) to be the person who executed this instrument as Chief Exec. Officer of T-H Licensing, Inc. and acknowledged to me that said corporation executed it pursuant to its bylaws or a resolution of its board of directors.

Ann Sykes Meldrum
Notary Public in and for said County and State

My Commission Expires:

[NOTARIAL SEAL]

ANN SYKES MELDRUM
Notary Public, State of New York
No. 01ME4938679
Qualified in Richmond County
Commission Expires July 25, 2006 *as is*

SCHEDULE I TO PATENT SECURITY AGREEMENT

Patents and Patent Applications

<i>PATENT</i>	<i>SERIAL/ PATENT NO.</i>	<i>ISSUE DATE</i>
Two Speed High Shift Transmission	5478290	12/26/1995
Two Speed Alternatively Engaging Clutch/Brake	5489013	02/06/1996
Press Fit Carrier/Spindle for Use in Planetary Transmission	5616097	04/01/1997