

02-17-1999



100965971

**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

55-21-2-99

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
 - Security Agreement Nunc Pro Tunc Assignment
 - Merger Change of Name
 - Other
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
10011998

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)
City State/Country Zip Code

- Individual General Partnership Limited Partnership Association
 - Corporation
 - Other
- If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

02/16/1999 DCOATES 00000079 1740888

FOR OFFICE USE ONLY

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20503

TRADEMARK
REEL: 1854 FRAME: 0958

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

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Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)
Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Susan M. Kornfield
Name of Person Signing

Susan M. Kornfield
Signature

2-1-99
Date Signed

**RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY**

FORM PTO-1618C
Expires 06/30/99
OMB 0651-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

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Other

Citizenship State of Incorporation/Organization

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Name Autocam International Sales Corporation

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization A Michigan Corporation

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AMENDED AND RESTATED SECURITY AGREEMENT

This AMENDED AND RESTATED SECURITY AGREEMENT ("Security Agreement") is made as of this 1st day of October, 1998 by and among the undersigned and such other persons or entities which from time to time become parties hereto (collectively, including the undersigned, the "Debtors" and individually each a "Debtor") and Comerica Bank, a Michigan banking corporation, as Agent for and on behalf of the Banks (as defined below) ("Secured Party").

RECITALS

A. WHEREAS, Pursuant to that certain Autocam Corporation Amended and Restated Revolving Credit and Term Loan Agreement dated as of October 1, 1998 (as amended or otherwise modified from time to time, the "Credit Agreement"), among Autocam Corporation, Autocam France, the Permitted Borrowers designated therein (by their execution and delivery of the Credit Agreement or of a Permitted Borrower Addendum), each of the financial institutions party thereto (collectively, the "Banks") and Secured Party, as Agent for the Banks, the Banks have agreed, subject to the satisfaction of certain terms and conditions, to make Advances to Borrowers of the Revolving Credit, the Swing Line, the Term Loans and to provide for the issuance of Letters of Credit for the account of Debtor, individually, or jointly and severally with certain of the other Account Parties (as such terms are defined in the Credit Agreement), as provided therein; and

B. WHEREAS, each of the Debtors has executed and delivered a guaranty (as amended or otherwise modified from time to time, the "Domestic Guaranty") of the obligations of the Borrowers under the Credit Agreement; and

C. WHEREAS, the obligations of the Borrowers under the Credit Agreement and the obligations of each other Debtor under the Guaranty are to be secured pursuant to this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

I. Creation of Security Interest

As security for the Secured Obligations (hereinafter defined), each Debtor hereby pledges and grants to Secured Party, as Agent for and on behalf of Banks, a security interest in the following described property of Debtor (the "Collateral"):

(a) all inventory, goods (including returned or repossessed goods and all goods the sale of which gives rise to accounts receivable, contract rights, chattel paper, general intangibles or instruments), merchandise and other personal property, in each case whether now owned or hereafter produced, manufactured or acquired by such Debtor which are held for sale or lease or are furnished or to be furnished under a contract of service or are raw materials, work in process or materials used or consumed or to be used or consumed in such Debtor's business;

(b) all accounts; accounts receivable; contract rights; general intangibles; chattel paper and instruments (including without limitation instruments evidencing any obligation to such Debtor for payment for goods sold or leased or services rendered or otherwise); tax refunds; goodwill; licenses, permits and privileges; customer lists; rights of indemnification;

(c) all machinery, equipment, furniture and other tangible personal property and fixtures of such Debtor, together with all accessions, additions, accessories, parts and equipment now or hereafter affixed thereto or used in connection therewith;

(d) all patents, trademarks and other intellectual property and proprietary rights, including without limitation those items of property listed in Schedule 1 hereto;

(e) all Intercompany Notes issued in favor of such Debtor; and

(f) all deposit accounts of such Debtor and all amounts in any lockbox or in any collateral account, including all funds on deposit therein, all investments arising out of such funds, all claims thereunder or in connection therewith, and all cash, instruments, securities, rights and other property at any time and from time to time received, receivable, or otherwise distributed in respect of such accounts, such funds or such investments;

whether any such property is now owned or hereafter acquired or existing by such Debtor, and all records (including computer software) pertaining to the foregoing, and all substitutions for, all proceeds and all products of the foregoing, including insurance proceeds, to the fullest extent permitted by law, subject in each case only to the Permitted Liens. The pledge and grant of a security interest in proceeds hereunder shall not be deemed to give such Debtor any right to dispose of any of the Collateral. Notwithstanding the foregoing, the Collateral does not include ownership interests in any Debtor.

II. Debtors' Obligations

A. Payment of Secured Obligations. The security interest created herein by each Debtor is given as security for the discharge and performance of the following obligations: all of such Debtor's obligations contained in or arising under or in connection with the Credit Agreement, any Note, the Domestic Guaranty, any Interest Rate Protection Agreements, any

other Loan Document or any other document or instrument executed in connection therewith, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due to become due, together with interest thereon; and also as security for all other Indebtedness, and any judgments that may hereafter be rendered on such Indebtedness or any part thereof, with interest according to the rates and terms specified, or as provided by law, and any and all replacements, consolidations, amendments, renewals or extensions of the foregoing (collectively herein called the "Secured Obligations").

B. Protection of Collateral. Each Debtor shall take any and all reasonable steps required to protect the Collateral, and in pursuance thereof, each such Debtor agrees that:

(1) The Collateral will not be misused, wasted or allowed to deteriorate, except for the ordinary wear and tear of its intended primary use or to the extent no longer useful or necessary to such Debtor's business, and will at all times be maintained in accordance with the applicable terms of the Credit Agreement.

(2) The Collateral described in Section I.(a) will be insured with insurance coverage by financially sound and reputable insurers and in such forms and amounts and against such risks as prudent business judgment and then current practice would dictate for companies or professional enterprises engaged in the same or a similar business and owning and operating similar properties. In the case of all such insurance policies, each such Debtor shall designate the Secured Party, on behalf of Banks, as mortgagee and loss payee and such policies shall provide that any loss be payable to each such Debtor and Secured Party, on behalf of Banks, as mortgagee and loss payee, as their respective interests may appear. Further, upon the request of the Secured Party acting at the request of the Banks, each such Debtor shall deliver copies of all said policies, including all endorsements thereon and those required hereunder, to Secured Party; and each such Debtor assigns to Secured Party, on behalf of Banks, as additional security hereunder, all its rights to receive proceeds of insurance with respect to the Collateral. All such insurance shall, by its terms, provide that no cancellation, lapse (including without limitation any lapse for non-payment of premiums) or material change in coverage shall become effective until thirty (30) days after receipt by Secured Party of written notice from the applicable carrier. Each Debtor further shall provide Secured Party upon request with evidence reasonably satisfactory to Secured Party that each such Debtor is at all times in compliance with this paragraph. During the continuance of an Event of Default, Secured Party may act as each such Debtor's attorney-in-fact in obtaining, adjusting, settling and compromising such insurance and endorsing any drafts. Upon default in this covenant, Secured Party may procure such insurance and its costs therefor shall be charged to Debtor, payable on demand, with interest at the highest rate set forth in the Credit Agreement and added to the Secured Obligations secured hereby. The disposition of proceeds of any insurance on the Collateral ("Insurance Proceeds") shall be governed by the following:

(i) provided that no Event of Default has occurred and is continuing hereunder, (a) if the amount of Insurance Proceeds in respect of any loss or casualty does not exceed Five Hundred Thousand Dollars (\$500,000), such Debtor shall be

entitled, in the event of such loss or casualty, to receive all such Insurance Proceeds and to apply the same toward the replacement of the Collateral affected thereby; and (b) if the amount of Insurance Proceeds in respect of any loss or casualty exceeds Five Hundred Thousand Dollars (\$500,000), such Insurance Proceeds shall be paid to and received by Secured Party, for release to such Debtor for the replacement of the Collateral affected thereby or, upon written request of such Debtor (accompanied by reasonable supporting documentation), for such other use or purpose as approved by the Majority Banks, in their reasonable discretion, it being understood and agreed in connection with any release of funds under this subparagraph (B), that the Secured Party and Majority Banks may impose reasonable and customary conditions on the disbursement of such Insurance Proceeds; and

(ii) if an Event of Default has occurred or is continuing hereunder, all Insurance Proceeds in respect of any loss or casualty shall be paid to and received by the Secured Party, to be applied by the Secured Party against the Indebtedness and/or to be held by the Secured Party as cash collateral for the Secured Obligations, as the Majority Banks may direct in their sole discretion.

(3) The Collateral is located in the premises set forth on Schedule II, and will not be moved to premises other than those set forth on Schedule II, and such other locations with respect to which each such Debtor shall have executed and delivered to Secured Party all financing statements and other documents and instruments necessary to perfect or continue the perfection of the Secured Party's security interest in the Collateral; provided, however, Collateral consisting of demo Inventory used by sales representatives need not be located at the premises set forth on Schedule II. Subject to the applicable terms of the Credit Agreement, upon request therefor by the Secured Party, each such Debtor will inform the Secured Party in writing of the whereabouts of the Collateral and Debtor will promptly arrange for any inspections requested by the Secured Party, on behalf of Banks;

(4) Each such Debtor shall comply with all applicable laws, rules, ordinances, regulations and orders of any governmental authority, whether federal, state, local or foreign in effect from time to time with respect to the Collateral, to the full extent required under the Credit Agreement.

(5) Secured Party, on behalf of the Banks, may, subject to the applicable terms of the Credit Agreement, examine and inspect the Collateral at any time wherever located.

C. Protection of Security Interest. Each Debtor agrees that:

(1) Except as permitted by the Credit Agreement, it will not sell, transfer, lease or otherwise dispose of any of the Collateral or any interest therein or offer to do so (other than the sale or lease of inventory in the ordinary course of business) without the prior written consent of Secured Party, given at the written direction or with the written approval of

Banks, and will not create, incur, assume or suffer to exist any mortgage, pledge, encumbrance, security interest, lien or charge of any kind upon any of the Collateral (or any interest therein or portion thereof), other than in favor of Secured Party, on behalf of the Banks and liens permitted under the Credit Agreement.

(2) It will, to the full extent required under the Credit Agreement, pay all taxes including, without limitation, any maintenance fees payable on any registered patents and any fees in connection with any required filings in connection with any pending or registered trademarks, assessments, governmental charges and levies upon the Collateral or for its use or operation.

(3) It will sign and execute alone or with Secured Party any financing statement or other document (including without limitation, filings required in connection with any pending or registered trademark) or procure any documents and pay all connected costs, necessary to protect the security interest under this Security Agreement against the rights or interests of third persons.

(4) It will reimburse Secured Party for all reasonable costs, including reasonable attorneys' fees, incurred for any action taken by Secured Party to remedy an Event of Default of Debtor which Secured Party elects to remedy pursuant to its rights under Paragraph IV hereof.

(5) It will,

(i) subject to Section 8.6 of the Credit Agreement, allow Secured Party, or any Bank, to examine, audit and inspect such Debtor's books, accounts, and other records relating to the Collateral wherever located at all reasonable times during normal business hours, upon oral or written request of Secured Party, and to make and take away copies of any and all such books, accounts, records and ledgers;

(ii) punctually and properly perform all of its covenants and duties under any other security agreement, mortgage, collateral document, pledge agreement or contract of any kind now or hereafter existing as security for or in connection with payment of the Secured Obligations, or any part thereof;

(iii) perform its obligations under and comply with the terms and provisions of the Credit Agreement and the other Loan Documents to which it is or may become a party;

(iv) keep, at the addresses designated on Schedule II and such additional addresses as may be provided from time to time for its records, all records concerning the Collateral, which records will be of such character as will enable Secured Party or its designees to determine at any time the status of the Collateral;

(v) give Secured Party not less than 30 days prior written notice of all contemplated changes in such Debtor's name, legal structure, or chief executive office, or in the location of the Collateral or such Debtor's records concerning same and, prior to making any such changes, file or cause to be filed all financing statements or amendments or other documents or instruments determined by Secured Party to be necessary or appropriate to establish and maintain a valid first priority security interest in all the Collateral in accordance with the terms hereof;

(vi) promptly furnish Secured Party with any information in writing which Secured Party may reasonably request concerning the Collateral;

(vii) to the extent required under the Credit Agreement, promptly notify Secured Party of any material claim, action or proceeding affecting the Collateral and title therein, or in any part thereof, or the security interest created herein, and, at the request of the Secured Party, appear in and defend, at such Debtor's expense, any such action or proceeding;

(viii) promptly, after being requested by Secured Party, pay to Secured Party the amount of all reasonable expenses, including reasonable attorneys' fees and other legal expenses, incurred by Secured Party pursuant to and in accordance with the Credit Agreement in protecting and maintaining the Collateral or its rights hereunder, or in connection with any audit or inspection of the Collateral pursuant to the terms hereof, and in enforcing the security interest created herein; and

(ix) allow Secured Party, upon and so long as there exists any Event of Default, to correspond with its account debtors to confirm its accounts receivable and Obligors under any contracts.

(6) With respect to any Collateral of a kind requiring an additional security agreement, financing statement, or other writing to perfect a security interest therein in favor of Secured Party, on behalf of Banks, such Debtor will forthwith upon demand by Secured Party execute and deliver to Secured Party on behalf of Banks, whatever documentation the Secured Party or the requisite Banks shall reasonably deem necessary or proper for such purpose. Should any covenant, duty or agreement of such Debtor fail to be performed in accordance with its terms hereunder resulting in an Event of Default, Secured Party may, but shall never be obligated to, perform or attempt to perform such covenant, duty or agreement on behalf of such Debtor, and any amount expended by Secured Party in such performance or attempted performance shall become part of the Secured Obligations, and, at the request of Secured Party, such Debtor agrees to pay such amount to Secured Party upon demand at Secured Party's office in Detroit, Michigan together with interest thereon at the highest rate at which interest accrues on amounts after the same become due pursuant to the terms of the Credit Agreement, from the date of such expenditure by Secured Party until paid. With respect to any Collateral (other than goods) in which such Debtor acquires any rights subsequent to the date hereof and which, under applicable law, a security interest is or can be

perfected by possession, upon request of the Secured Party or the Majority Banks, such Debtor agrees to deliver possession of such Collateral to Secured Party immediately upon its acquisition of rights therein.

(7) It will hold the proceeds of any of the Collateral (including accounts receivable and contracts) which is sold other than in the ordinary course of such Debtor's business (or otherwise as permitted under the Credit Agreement or this Agreement, subject to the terms thereof) in trust for Secured Party on behalf of the Banks, will not commingle said proceeds with any other funds, and, after and during the continuance of an Event of Default, will deliver such proceeds to Secured Party immediately upon its request.

(8) It will not, except as permitted under the Credit Agreement, grant any rebate, refund, allowance or credit on any account receivable, or on any amounts due under any accounts receivable, other than in the ordinary course of business, without Secured Party's prior written consent.

(9) If Secured Party, acting in its sole discretion, redelivers any Collateral to such Debtor or such Debtor's designee for the purpose of (i) the ultimate sale or exchange thereof, or (ii) presentation, collection, renewal, or registration of transfer thereof, or (iii) loading, unloading, storing, shipping, transshipping, manufacturing, processing or otherwise dealing therewith preliminary to sale or exchange; such redelivery shall not constitute a release of Secured Party's security interest therein or in the proceeds thereof unless Secured Party, with the consent of the Banks, specifically so agrees in writing. If such Debtor requests any such redelivery, such Debtor will deliver with such request a duly executed financing statement in form and substance satisfactory to Secured Party.

(10) Subject to the applicable terms of the Credit Agreement, Debtor shall take any and all other steps reasonably required under applicable law to perfect the lien and security interest established hereby in favor of Secured Party, on behalf of the Banks, including without limitation the execution, delivery and/or performance of appropriate acknowledgments, governmental acknowledgments, registrations or approvals, financing statements and other documents and instruments, and the registration, recording and/or filing of such instruments with such Persons and in such jurisdictions as necessary to perfect the security interest and lien established hereby.

III. Collection of Proceeds - Remittance Basis

If an Event of Default has occurred and is continuing under the Credit Agreement, each Debtor agrees that immediately upon Agent's request the Secured Indebtedness shall be on a "remittance basis" as follows: each Debtor shall at its sole expense establish and maintain (and Agent, acting at the request of the Majority Banks), may establish and maintain at Debtor's expense: (a) an United States Post Office lock box (the "Lock Box"), to which Agent shall have exclusive access and control. Each Debtor expressly authorizes Agent, from time to time, to remove contents from the Lock Box, for disposition in accordance with this

Agreement. Each Debtor agrees to notify all account debtors and other parties obligated to such Debtor that all payments made to such Debtor (other than payments by electronic funds transfer) shall be remitted, for the credit of such Debtor, to the Lock Box, and each such Debtor shall include a like statement on all invoices; and (b) a non-interest bearing deposit account with Agent which shall be titled as designated by Agent (the "Cash Collateral Account") to which Agent shall have exclusive access and control. Each Debtor agrees to notify all account debtors and other parties obligated to such Debtor that all payments made to such Debtor by electronic funds transfer shall be remitted to the Cash Collateral Account, and such Debtor, at Agent's request, shall include a like statement on all invoices. Each Debtor shall execute all documents and authorizations as required by Agent to establish and maintain the Lock Box and the Cash Collateral Account.

IV. Default

The terms "Default" and "Event of Default", as used herein, shall mean the occurrence of a Default or an Event of Default, as the case may be, under the Credit Agreement.

V. Secured Party's Rights and Remedies.

In addition to its rights and remedies under the Credit Agreement and the other Loan Documents, and under applicable law, Secured Party shall have available to it the following rights and remedies upon occurrence and during the continuance of an Event of Default:

A. Right to Discharge Debtor's Obligations. Secured Party may, with the approval of the Majority Banks, discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral in violation of the terms hereof, whether senior or junior to the security interest herein granted, may remedy or cure any default of a Debtor under the terms of any lease, rental agreement, land contract or other document which in any way pertains to or affects such Debtor's title to or interest in any of the Collateral, may pay for insurance on the Collateral, and may pay for the maintenance and preservation of the Collateral, unless such Debtor is contesting in good faith such obligations, and such Debtor agrees to reimburse Secured Party, on demand, for any payment made or any expense incurred by Secured Party pursuant to the foregoing authorization, with interest, which payments and expenses shall be secured by the Collateral.

B. Remedies and Enforcement. Secured Party shall have and may exercise, at the direction or with the approval of the Majority Banks, any and all rights of enforcement and remedies afforded to a secured party under the Uniform Commercial Code as adopted and in force in the State of Michigan or other applicable uniform commercial code (or other applicable law), to the full extent permitted by applicable law, on the date of this Security Agreement or the date of such Debtor's default, together with any and all other rights and remedies otherwise provided and available to Secured Party by applicable law unless such application would result in the invalidity or unenforceability of any provision hereof, in which case the law of the state in which any of the Collateral is located shall apply to the extent

necessary to render such provision valid and enforceable; and, in conjunction with, in addition to, or substitution for those rights, Secured Party may, at the direction or with the approval of the Majority Banks, or with respect to subparagraph (3) below), all of the Banks:

(1) Enter upon such Debtor's premises to take possession of, assemble, collect and/or dispose of the Collateral and, if Secured Party elects to do, to apply any of the Collateral against any of the Secured Obligations;

(2) Require such Debtor to assemble the Collateral and make it available at a place Secured Party designates to allow Secured Party to take possession or dispose of the Collateral;

(3) Waive any default, or remedy any default, without waiving its rights and remedies upon default and without waiving any other prior or subsequent default;

(4) Without any notice to any Debtor, notify any parties obligated on any of the Collateral to make payment to the Secured Party, on behalf of the Banks, of any amounts due or to become due thereunder and enforce collection of any of the Collateral by suit or otherwise and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) the indebtedness thereunder or evidenced thereby. Upon request of the Secured Party, each Debtor will, at its own expense, notify any parties obligated to such Debtor on any of the Collateral to make payment to the Secured Party of any amounts due or to become due thereunder, and indicate on all billings to such account debtors that their accounts must be paid to or as directed by Secured Party. Each Debtor agrees that neither Secured Party nor the Banks shall be liable for any loss or damage which such Debtor suffers or may suffer as a result of Secured Party's processing of items or its exercise of any other rights or remedies under this Security Agreement, including without limitation indirect, special or consequential damages, loss of revenues or profits, or any claim, demand or action by any third party not related to or affiliated with such Debtor arising out of or in connection with the processing of items (excluding only the claims of such third parties in connection with the processing of items based upon the gross negligence or willful misconduct of Secured Party) or the exercise of any other rights or remedies hereunder. Each Debtor further agrees to indemnify and hold Secured Party and the Banks harmless from and against all such third party claims, demands or actions, including without limitation litigation costs and reasonable attorneys' fees, excepting only those claims, demands and actions arising as a result of the gross negligence or willful misconduct of Secured Party or any of the Banks;

(5) Appoint any officer or agent of Secured Party as a Debtor's true and lawful proxy and attorney-in-fact, with power, upon the occurrence of any Event of Default (exercisable so long as such Event of Default is continuing); to endorse such Debtor's name or any of its officers or agents upon any notes, checks, drafts, money

orders, or other instruments of payment (including payments payable under any policy of insurance on the Collateral) or Collateral that may come into possession of the Secured Party in full or part payment of any amounts owing to the Banks; to sign and endorse the name of such Debtor and/or any of its officers or agents upon any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and any instrument or document relating thereto or to such Debtor's rights therein; to execute on behalf of such Debtor any financing statements, amendments, subordinations or other filings pursuant to the Credit Agreement, this Security Agreement or the other Loan Documents; each Debtor hereby granting unto Secured Party on behalf of the Banks, as the proxy and attorney-in-fact of such Debtor, full power to do any and all things necessary to be done in and about the premises as fully and effectually as such Debtor might or could do, and hereby ratifying all that said proxy and attorney shall lawfully do or cause to be done by virtue hereof. The proxy and power of attorney described herein shall be deemed to be coupled with an interest and shall be irrevocable for the entire term of the Credit Agreement, the Notes and all transactions thereunder and thereafter as long as any Secured Obligations or any of the commitments to lend (whether optional or obligatory) remain outstanding. The Secured Party shall have full power to collect, compromise, endorse, sell or otherwise deal with the Collateral or proceeds thereof on behalf of the Banks in its own name or in the name of such Debtor, provided that Secured Party shall act in a commercially reasonable manner.

C. Right of Sale.

(1) Each Debtor agrees that upon the occurrence and continuance of an Event of Default, Secured Party may, at its option, sell and dispose of the Collateral at public or private sale without any previous demand of performance. Each Debtor agrees that notice of such sale sent to such Debtor's address, as set forth on the signature pages attached hereto, by certified or registered mail sent at least ten (10) Business Days prior to such sale, shall constitute reasonable notice of sale. The foregoing shall not require notice if none is necessary under applicable law. The proceeds of sale shall be applied in the following order:

(i) to all reasonable costs and charges incurred by Secured Party in the taking and causing the removal and sale of said property, including such reasonable attorneys' fees as shall have been incurred by Secured Party;

(ii) to the Secured Obligations, including without limitation all accrued interest thereon, premiums and make whole amounts, if any, in the order set forth in the Credit Agreement; and

(iii) any surplus of such proceeds remaining shall be paid to such Debtor, or to such other party who shall lawfully be entitled thereto.

(2) At any sale or sales made pursuant to this Security Agreement or in a suit to foreclose the same, the Collateral may be sold en masse or separately, at the same or at different times, at the option of the Secured Party or its assigns. Such sale may be public or private with notice as required by the Uniform Commercial Code as then in effect in the state in which the Collateral is located, and the Collateral need not be present at the time or place of sale. At any such sale, the Secured Party may bid for and purchase any of the property sold, notwithstanding that such sale is conducted by the Secured Party or its attorneys, agents, or assigns.

D. Miscellaneous. Secured Party shall have the right at all times to enforce the provisions of this Security Agreement, on behalf of Banks, in strict accordance with the terms hereof, notwithstanding any conduct or custom on the part of Secured Party or any of the Banks in refraining from so doing at any time or times. The failure of Secured Party or any of the Banks at any time or times to enforce its rights under said provisions strictly in accordance with the same shall not be construed as having created a custom in any way or manner contrary to the specific provisions of this Security Agreement or as having in any way or manner modified the same. All rights and remedies of Secured Party and Banks hereunder shall be cumulative and concurrent, and the exercise of one right or remedy shall not be deemed a waiver or release of any other right or remedy.

VI. Representations, Warranties and Covenants of Debtors.

Each Debtor represents and warrants, and, after the date hereof, covenants so long as any of the Credit Agreement, the Notes or Letter of Credit Agreements remain in effect, that:

A. Such Debtor's chief executive office and principal place of business are set forth in Schedule III hereto, and such Debtor has not maintained its chief executive office and principal place of business at any other location since January 1, 1998;

B. Each other location where such Debtor maintains a place of business is set forth on Schedule IV;

C. No financing statement covering the Collateral, or any part thereof, has been or will be filed with any filing officer, except as permitted under the Credit Agreement.

D. No other agreement, pledge or assignment covering the Collateral, or any part thereof, has been or will be made and no security interest, other than the one created hereby or pursuant to security agreements and pledges previously made in favor of Secured Party on behalf of the Banks, has or will be attached or has been or will be perfected in the Collateral or in any part thereof, except as permitted under the Credit Agreement.

E. No material dispute, right of setoff, counterclaim or defenses exist with respect to any part of the Collateral (excluding accounts, accounts receivable and rights to payment for services rendered), except as permitted under the Credit Agreement.

F. At the time Secured Party's security interest attaches to any of the Collateral or its proceeds, such Debtor will be the lawful owner thereof with the right to transfer any interest therein, such Collateral is free and clear of all liens other than the one created hereby or permitted by the Credit Agreement and that such Debtor will make such further assurances to prove its title to the Collateral as may be reasonably required, will keep such Collateral free and clear of all liens other than the one created hereby and liens permitted by the Credit Agreement, and will take such action to defend the Collateral and its proceeds against the lawful claims and demands of all persons whomsoever. The delivery at any time by such Debtor to Secured Party of Collateral, or financing statements covering any Collateral shall constitute a representation and warranty by such Debtor under this Security Agreement that, with respect to such Collateral, and each item thereof, such Debtor is owner of the Collateral and the matters heretofore warranted in this paragraph are true and correct in all material respects.

G. The representations and warranties by the applicable Debtor contained in any of the Credit Agreement and the Guaranty are incorporated by reference herein and are all made as of the date hereof.

H. It shall, if applicable, contemporaneously with the execution and delivery of this Agreement, execute and deliver to the Agent an Agreement (Trademark) and an Agreement (Patent) in the forms of Exhibits A-1 and A-2 hereto, and shall execute and deliver to the Agent any other document reasonably required to acknowledge or register or perfect the Agent's and the Banks' interest in any of the Collateral described in Section I(d).

VII. Mutual Agreements.

Each Debtor and Secured Party mutually agree as follows:

A. "Debtor" and "Secured Party" as used in this Security Agreement include the successors and permitted assigns of those parties.

B. To the extent permitted by applicable law, except as otherwise provided herein, the law governing this Security Agreement shall be that of the State of Michigan.

C. This Security Agreement includes all amendments and supplements hereto and all assignments hereof, provided, that such Debtor and Secured Party shall not be bound by any amendment hereto unless such amendment is expressed in a writing executed by each of them.

D. All capitalized or other terms not specifically defined herein are used as defined in the Credit Agreement. To the extent not inconsistent therewith, all such terms shall also be construed in conformity with the Michigan or other applicable Uniform Commercial Code.

E. The security interest granted under this Security Agreement shall be a continuing security interest in every respect (whether or not the outstanding balance of the Secured Obligations is from time to time temporarily reduced to zero) and Secured Party's security interest in the Collateral as granted herein shall continue in full force and effect for the entire duration that the Credit Agreement remains in effect and until all of the Secured Obligations are repaid and discharged in full, and no commitment (whether optional or obligatory) to extend any credit under the Credit Agreement or any of the Notes remains outstanding.

F. THE PARTIES HERETO ACKNOWLEDGE THAT THIS SECURITY AGREEMENT IS SUBJECT TO THE MUTUAL WAIVER OF JURY TRIAL CONTAINED IN THE APPLICABLE PROVISIONS OF THE CREDIT AGREEMENT AND THE GUARANTY, AS APPLICABLE.

G. Each of the Debtors hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal Court or Michigan state court sitting in Detroit, Michigan in any action or proceeding arising out of or relating to this Security Agreement and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in any such United States Federal Court or Michigan state court. Each Debtor irrevocably consents to the service of any and all process in any such action or proceeding brought in any court in or of the State of Michigan by the delivery of copies of such process to such Debtor at its address specified in Schedule III hereto or by certified mail directed to such address. Nothing in this paragraph shall affect the right of the Banks and the Secured Party to serve process in any other manner permitted by law or limit the right of the Banks or the Secured Party (or any of them) to bring any such action or proceeding against any of the Debtors or any of its or their property in the courts of any other jurisdiction. Each of the Debtors hereby irrevocably waives any objection to the laying of venue of any such suit or proceeding in the above described courts.

H. This Security Agreement amends and restates in its entirety that certain Security Agreement dated as of June 27, 1997, by and among Autocam Corporation and Secured Party, provided, however, nothing contained herein shall impair the liens and security interests established or continued thereby which liens and security interests shall continue in full force and effect.

In the event of any conflict between the terms and conditions of this Security Agreement and the terms and conditions of the Credit Agreement, the terms and conditions of the Credit Agreement shall govern and control.

[signatures follow on succeeding pages]

IN WITNESS WHEREOF, each of the undersigned Debtors and Secured Party have executed this Security Agreement as of the day and year first above written.

DEBTORS:

AUTOCAM CORPORATION

By: Mark J. Jett
Its: AUTHORIZED AGENT

AUTOCAM-PAX, INC.

By: Mark J. Jett
Its: AUTHORIZED AGENT

AUTOCAM INTERNATIONAL SALES CORPORATION

By: Mark J. Jett
Its: AUTHORIZED AGENT

AUTOCAM SOUTH CAROLINA, INC.

By: Mark J. Jett
Its: AUTHORIZED AGENT

AUTOCAM LASER TECHNOLOGIES, INC.

By: Mark Jett

Its: AUTHORIZED AGENT

AUTOCAM ACQUISITION, INC.

By: Mark Jett

Its: AUTHORIZED AGENT

Signature Page
Security Agreement

ACCEPTED BY SECURED PARTY:

COMERICA BANK, as Agent for the Banks

By: Thomas R. Johnson

Its: Vice President

The undersigned are executing a counterpart hereof for purposes of becoming parties hereto:

[FUTURE DOMESTIC SUBSIDIARY]

By: _____

Its: _____

Signature Page
Security Agreement

SCHEDULE I

Intellectual Property

ATTACHMENT 1
to
Agreement
(Trademark)

Item A. Trademarks

Registered Trademarks

<u>Country</u>	<u>Trademark</u>	<u>Registration No.</u>	<u>Date</u>
USA	Autocam	1,740,888	12/22/92

Pending Trademark Applications

<u>Country</u>	<u>Trademark</u>	<u>Serial No.</u>	<u>Date Filed</u>
Brazil	Autocam (and Design) - fuel injectors, etc.	820541192	01/29/98
Brazil	Autocam (and Design) - electronic transmission solenoids, etc.	820541206	01/29/98
Brazil	Autocam - fuel injectors, etc.	820541184	01/29/98
Brazil	Autocam - electronic transmission solenoids, etc.	820541176	01/29/98

Expired, Abandoned or Cancelled Trademarks

<u>Country</u>	<u>Trademark</u>	<u>Serial No.</u>	<u>Date</u>
USA	Autocam - compressors for air conditioning and refrigeration systems	208,310	Abandoned 01/10/94

Trademark Applications in Preparation

<u>Country</u>	<u>Trademark</u>	<u>Products/Services</u>
	None	

Item B. Trademark Licenses

None.

Patents (including letters patent and applications for letters patent):

Country	Patent	Patent No.	Issue Date
USA	Hollow Button (Autocam-Pax, Inc.)	4,354,353	N/K
USA	Method and Tool for Concentric Back Chamfering on a Turning Machine	5,161,924	11/10/92
USA	Sliding Vane Compressor With Spring-Biased Vanes	N/A	Abandoned
USA	Sliding Vane Compressor with Axially-Fixed Shaft	N/A	Abandoned
USA	Sliding Vane Compressor with Vane Roller Axle Heads	N/A	Abandoned
USA	Sliding Vane Compressor with Tangential, Parallel Inlet and Outlet	N/A	Abandoned
USA	Vane Compressor with Oil Skive	5,169,298	12/08/92 (Lapsed 6/8/96)
USA	Internally Constrained Vane Compressor	5,181,843	01/26/93
USA	Rotary Device with Thermally Compensated Seal	5,452,997	09/26/95
Canada	Internally Constrained Vane Compressor	N/A	Abandoned
Mexico	Internally Constrained Vane Compressor	N/A	Abandoned
Canada	Constrained Vane Compressor with Oil Skive	N/A	Abandoned
Mexico	Constrained Vane Compressor with Oil Skive	N/A	Abandoned

Patent Licenses: None.

Schedule II

Location of Collateral

4070 East Paris Avenue
Kentwood, MI 49512

4060 East Paris Avenue
Kentwood, MI 49512

201/605 Percy Street
Dowagiac, MI 49047

348 Huntington Road
Gaffney, SC 29342

31065/31069 Genstar Road
Hayward, CA 94544

1511 George Brown Drive
Marshall, MI 49068

Wolverine Center - Unit 4656
4710 44th Street S.E.
Grand Rapids, MI 49512

415 E. Prairie Ronde Street
Dowagiac, MI 49047

Inventory may be located at various outsource vendors for not more than two weeks per part, for specific processing (e.g. Specialty Heat Treat, Varland, Thermoburr)

One Glo-Tyne Machine (tool coating machine) is located at SAC Co. in Westerville, Ohio.

From time to time in limited instances, test inventory (such as steel) may be shipped to Autocam Corporation vendors.

GRAPIDS 60026-64 64104

Schedule III

Each Debtor's chief executive office and principal place of business

Autocam Corporation
4070 East Paris Avenue
Kentwood, MI 49512

Autocam-Pax, Inc.
201/605 Percy Street
Dowagiac, MI 49047

Autocam International Sales Corporation
4070 East Paris Avenue
Kentwood, MI 49512

Autocam South Carolina, Inc.
348 Huntington Road
Gaffney, SC 29342

Autocam Laser Technologies, Inc.
31065 Genstar Road
Hayward, CA 94544

Autocam Acquisition, Inc.
31069 Genstar Road
Hayward, CA 94544

GRAPIDS 60026-64 64105

Schedule IV

Other Locations of Place of Business

Autocam Corporation
1511 George Brown Drive
Marshall, MI 49068

GRAPIDS 60026-64 64106

TRADEMARK
REEL: 1854 FRAME: 0985

AGREEMENT
(Trademark)

THIS AGREEMENT (TRADEMARK) (this "Agreement"), dated as of _____, 1998, among [the undersigned] (individually each a "Debtor" and collectively the "Debtors") and Comerica Bank in its capacity as agent for the Banks referred to below.

WITNESSETH

D. WHEREAS, pursuant to that certain Autocam Corporation Amended and Restated Revolving Credit and Term Loan Agreement dated as of _____, 1998 (as amended or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, each of the financial institutions party thereto (collectively, the "Banks") and Secured Party, as Agent for the Banks, the Banks have agreed, subject to the satisfaction of certain terms and conditions, to make Advances to Borrowers and to provide for the issuance of Letters of Credit for the account of Borrowers, individually, or jointly and severally with certain of the other Account Parties (as such terms are defined in the Credit Agreement), as provided therein; and

E. WHEREAS, in connection with the Credit Agreement, the Debtors have executed and delivered a Security Agreement, dated as of the date hereof (as amended or otherwise modified from time to time, the "Security Agreement"); and

F. WHEREAS, as a condition precedent to the making of the initial Advances under the Credit Agreement, the Debtors are required to execute and deliver this Agreement and to further confirm the grant to the Secured Party for the benefit of the Banks a continuing security interest in all of the Trademark Collateral (as defined below) to secure all Secured Obligations.

NOW, THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, and in order to induce the Banks to make Advances (including the initial Advance) to the Borrowers pursuant to the Credit Agreement, each of the Debtors agrees, for the benefit of the Banks, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Secured Obligations, each of the Debtors does hereby mortgage, pledge and hypothecate to the Secured Party for the benefit of the Banks, and grant to the Secured Party for the benefit of the Banks a security interest in, all of the following property (the "Trademark Collateral"), whether now owned or hereafter acquired or existing:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a “Trademark”) now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, including those referred to in Item A of Attachment 1 hereto;

(b) all Trademark licenses, including each Trademark license referred to in Item B of Attachment 1 hereto;

(c) all renewals of any of the items described in clauses (a) and (b);

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by the Debtors against third parties for past, present, or future infringement or dilution of any Trademark, Trademark registration, or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in Item A and Item B of Attachment 1 hereto, or for any injury to the goodwill associated with the use of any Trademark or for breach or enforcement of any Trademark license.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Debtors for the purpose of registering the security interest of the Secured Party and the Banks in the Trademark Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Secured Party and the Banks under the Security Agreement. The Security Agreement (and all rights and remedies of the Secured Party and the Banks thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. Upon payment in full of all Secured Obligations and when all commitments to extend any credit under the Credit Agreement have been terminated, the Secured Party shall, at the Debtors' expense, execute and deliver to the Debtors all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademark Collateral which has been granted hereunder.

SECTION 5. Acknowledgment. Each of the Debtors does hereby further acknowledge and affirm that the rights and remedies of the Secured Party for the benefit of the Banks with

respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Documents, etc. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Credit Agreement.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

[Signatures follow on succeeding pages]

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

DEBTOR:

AUTOCAM CORPORATION

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

AUTOCAM-PAX, INC.

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

AUTOCAM INTERNATIONAL SALES CORPORATION

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

AUTOCAM SOUTH CAROLINA, INC.

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

**AUTOCAM LASER TECHNOLOGIES,
INC.**

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

AUTOCAM ACQUISITION, INC.

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

[OTHER DOMESTIC SUBSIDIARIES]

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

COMERICA BANK, as Agent for the Banks

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

Signature Page
Trademark Agreement

Item A. Trademarks**Registered Trademarks**

<u>Country</u>	<u>Trademark</u>	<u>Registration No.</u>	<u>Date</u>
USA	Autocam	1,740,888	12/22/92

Pending Trademark Applications

<u>Country</u>	<u>Trademark</u>	<u>Serial No.</u>	<u>Date Filed</u>
Brazil	Autocam (and Design) - fuel injectors, etc.	820541192	01/29/98
Brazil	Autocam (and Design) - electronic transmission solenoids, etc.	820541206	01/29/98
Brazil	Autocam - fuel injectors, etc.	820541184	01/29/98
Brazil	Autocam - electronic transmission solenoids, etc.	820541176	01/29/98

Expired, Abandoned or Cancelled Trademarks

<u>Country</u>	<u>Trademark</u>	<u>Serial No.</u>	<u>Date</u>
USA	Autocam - compressors for air conditioning and refrigeration systems	208,310	Abandoned 01/10/94

Trademark Applications in Preparation

<u>Country</u>	<u>Trademark</u>	<u>Products/Services</u>
	None	

Item B. Trademark Licenses

None.

AGREEMENT
(Patent)

THIS AGREEMENT (PATENT) (this "Agreement"), dated as of _____, 1998, among [the undersigned] (individually each a "Debtor" and collectively the "Debtors"), and Comerica Bank in its capacity as agent for the Banks referred to below.

WITNESSETH

G. WHEREAS, pursuant to that certain Autocam Corporation Amended and Restated Revolving Credit and Term Loan Agreement dated as of _____, 1998 (as amended or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, each of the financial institutions party thereto (collectively, the "Banks") and Secured Party, as Agent for the Banks, the Banks have agreed, subject to the satisfaction of certain terms and conditions, to make Advances to Borrowers and to provide for the issuance of Letters of Credit for the account of Borrowers, individually, or jointly and severally with certain of the other Account Parties (as such terms are defined in the Credit Agreement), as provided therein; and

H. WHEREAS, in connection with the Credit Agreement, the Debtors have executed and delivered a Security Agreement, dated as of the date hereof (as amended or otherwise modified from time to time, the "Security Agreement"); and

I. WHEREAS, as a condition precedent to the making of the initial Advances under the Credit Agreement, the Debtors are required to execute and deliver this Agreement and to further confirm the grant to the Secured Party for the benefit of the Banks a continuing security interest in all of the Patent Collateral (as defined below) to secure all Secured Obligations.

NOW, THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, and in order to induce the Banks to make Advances (including the initial Advance) to the Borrowers pursuant to the Credit Agreement, each of the Debtors agrees, for the benefit of the Banks, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Secured Obligations, each of the Debtors does hereby mortgage, pledge and hypothecate to the Secured Party for the benefit of the Banks, and grant to the Secured Party for the benefit of the Banks a security interest in, all of the following property (the "Patent Collateral"), whether now owned or hereafter acquired or existing:

(a) all letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world and including each patent and patent application referred to in Item A of Attachment 1 hereto;

(b) all patent licenses, including each patent license referred to in Item B of Attachment 1 hereto;

(c) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in the foregoing clauses (a) and (b); and

(d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceed of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to in Item A of Attachment 1 hereto, and for breach or enforcement of any patent license, including any patent license referred to in Item B of Attachment 1 hereto, and all rights corresponding thereto throughout the world.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Debtors for the purpose of registering the security interest of the Secured Party and the Banks in the Patent Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Secured Party and the Banks under the Security Agreement. The Security Agreement (and all rights and remedies of the Secured Party and the Banks thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. Upon payment in full of all Secured Obligations and when all commitments to extend any credit under the Credit Agreement have been terminated, the Secured Party shall, at the Debtors' expense, execute and deliver to the Debtors all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Patent Collateral which has been granted hereunder.

SECTION 5. Acknowledgment. Each of the Debtors does hereby further acknowledge and affirm that the rights and remedies of the Secured Party for the benefit of the Banks with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Documents, etc. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Credit Agreement.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

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

DEBTOR:

AUTOCAM CORPORATION

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

AUTOCAM-PAX, INC.

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

**AUTOCAM INTERNATIONAL SALES
CORPORATION**

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

AUTOCAM SOUTH CAROLINA, INC.

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

**AUTOCAM LASER TECHNOLOGIES,
INC.**

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

AUTOCAM ACQUISITION, INC.

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

[OTHER DOMESTIC SUBSIDIARIES]

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

COMERICA BANK, as Agent for the Banks

By: _____

Its: _____

Address: _____

Attention: _____

Facsimile No.: _____

Signature Page
Patent Agreement

Patents (including letters patent and applications for letters patent):

Country	Patent	Patent No.	Issue Date
USA	Hollow Button (Autocam-Pax, Inc.)	4,354,353	N/K
USA	Method and Tool for Concentric Back Chamfering on a Turning Machine	5,161,924	11/10/92
USA	Sliding Vane Compressor With Spring-Biased Vanes	N/A	Abandoned
USA	Sliding Vane Compressor with Axially-Fixed Shaft	N/A	Abandoned
USA	Sliding Vane Compressor with Vane Roller Axle Heads	N/A	Abandoned
USA	Sliding Vane Compressor with Tangential, Parallel Inlet and Outlet	N/A	Abandoned
USA	Vane Compressor with Oil Skive	5,169,298	12/08/92 (Lapsed 6/8/96)
USA	Internally Constrained Vane Compressor	5,181,843	01/26/93
USA	Rotary Device with Thermally Compensated Seal	5,452,997	09/26/95
Canada	Internally Constrained Vane Compressor	N/A	Abandoned
Mexico	Internally Constrained Vane Compressor	N/A	Abandoned
Canada	Constrained Vane Compressor with Oil Skive	N/A	Abandoned
Mexico	Constrained Vane Compressor with Oil Skive	N/A	Abandoned

Patent Licenses: None.