

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

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

1. Name of conveying party(ies):

Williams Controls, Inc.

- Individual(s)
- General Partnership
- Corporation-State DE
- Other _____
- Association
- Limited Partnership

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

3. Nature of conveyance:

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

Execution Date: 09/27/2004

2. Name and address of receiving party(ies)

Name: Merrill Lynch Capital, a division of Merrill Lynch Business

Internal Address: Financial Services Inc., as Agent

Street Address: 222 N. LaSalle Street

City: Chicago State: IL Zip: 60601

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other division of a Delaware corporation

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s) 78322470

B. Trademark Registration No.(s) n/a

Additional number(s) attached Yes No

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

Name: _____

Attn: Penelope J.A. Agodoa
Federal Research Company, LLC
1030 15th Street, NW, Suite 920
Washington, DC 20005
202.783.2700

Street Address: _____

City: _____ State: _____ Zip: _____

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

50-3155

DO NOT USE THIS SPACE

9. Signature.

Penelope S. Johnson
Name of Person Signing

Penelope S. Johnson
Signature

10/15/2004
Date

Total number of pages including cover sheet, attachments, and document: 6

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

CH \$40.00 503155 78322470

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Agreement") made as of this 27th day of September, 2004 by Williams Controls, Inc., a Delaware corporation ("Grantor"), in favor of Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., in its capacity as Agent for the Lenders party to the Credit Agreement (as such terms are defined below) (in such capacity, "Grantee"):

W I T N E S S E T H

WHEREAS, Grantor, Williams Controls, Inc., a Delaware corporation ("Holdings"; together with Grantor, the "Borrowers" and each, individually, a "Borrower"), Grantee and Lenders are parties to that certain Credit Agreement of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") providing for extensions of credit to be made to Borrowers by Lenders; and

WHEREAS, pursuant to the terms of that certain Williams Security Agreement of even date herewith between Grantor and Grantee (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), Grantor has granted to Grantee, for the benefit of Lenders, a lien on and security interest in substantially all of the assets of Grantor, including, without limitation, all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks (as such term is defined in the Security Agreement), together with the goodwill of the business symbolized by Grantor's Trademarks, and all products and proceeds thereof, to secure the payment of all amounts owing by Borrowers under the Credit Agreement.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Grantor hereby agrees as follows:

1. Incorporation of Credit Agreement and Security Agreement. The Credit Agreement and Security Agreement, and the terms and provisions thereof, hereby are incorporated herein in their entirety by this reference thereto. All capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Security Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the payment and performance of the Obligations, Grantor hereby grants to Grantee, for its benefit and the benefit of Lenders, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following, whether now owned or existing or hereafter created, acquired or arising:

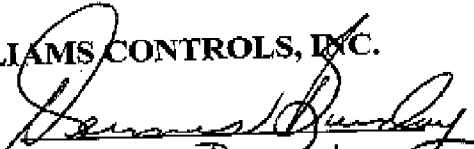
(i) each Trademark listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(ii) all products and proceeds of the forgoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a)

infringement or dilution of any Trademark or (b) injury to the goodwill associated with any Trademark.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

WILLIAMS CONTROLS, INC.
By: 
Name: DENNIS BUNDAY
Title: CHIEF FINANCIAL OFFICER

AGREED AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE:

MERRILL LYNCH CAPITAL, a division of Merrill Lynch Business Financial Services Inc., as Agent

By: _____
Name: _____
Title: _____

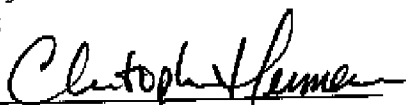
IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

WILLIAMS CONTROLS INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

AGREED AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE:

MERRILL LYNCH CAPITAL, a division of Merrill Lynch Business Financial Services Inc., as Agent

By: 
Name: Christopher Herrman
Title: Assistant Vice President

SCHEDULE 1

TRADEMARK REGISTRATIONS

<u>Trademark Description</u>	<u>U.S. Registration No.</u>	<u>Date Registered</u>
n/a		

TRADEMARK APPLICATIONS

<u>Trademark Application Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
WILLIAMS CONTROLS	78322470	11/03/2003