

MPD
1.14.99

RECORDATION OF
TRADEMARK

01-15-1999



DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please rec

100942680

1. Name of conveying party(ies):
Motorworks, Inc.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation
 Other _____

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

2. Name and address of receiving party(ies):
Name: Sovereign Bank
Internal Address: The Structured Finance Group

Street Address: 2 Aldwyn Center
City: VillaNova State: PA ZIP: 19085

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

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

3. Nature of conveyance:
 Collateral Assignment Merger
 Amendment to Trademark Security Agreement
 Other _____

Execution Date: December 31, 1998

4. Application number(s) or patent number(s):
A. Trademark Application No.(s)

B. Trademark Registration No.(s)
2,167,502
1,782,892
2,039,929

Additional numbers attached Yes No

6. Total number of applications and registrations involved:..... 3

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Bruce R. Lesser
Internal Address: Wolf, Block, Schorr
and Solis-Cohen LLP

Street Address: 350 Sentry Parkway
Building 640, P.O. Box 3038
City: Blue Bell State: PA ZIP: 19422

7. Total fee (37 CFR 3.41).....\$ 90.00 E
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:

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

01/15/1999 TTON11 00000058 2167502

DO NOT USE THIS SPACE

01 FC-481 40.00 DP
02 FC-482 50.00 DP

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.

Stuart D. Rudoler 1/12/99
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 15

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

TRADEMARK
REEL: 1840 FRAME: 0632

**COLLATERAL ASSIGNMENT OF PATENTS,
TRADEMARKS, LICENSES AND COPYRIGHTS**

THIS COLLATERAL ASSIGNMENT OF PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS is made effective as of the 31st day of December, 1998 by and among **MOTORWORKS, INC.** ("Assignor") and **SOVEREIGN BANK** ("Assignee").

BACKGROUND

A. Pursuant to that certain Loan and Security Agreement of even date herewith by and between Assignee, AR22, Inc. and Assignor (such Loan and Security Agreement, as heretofore or hereafter amended, modified or restated, being referred to herein as the "**Loan Agreement**"), the Assignee agreed to extend to Assignor the credit facility described therein.

B. The Loan Agreement provides, *inter alia*, that Assignor will grant to Assignee for the benefit of Assignee a security interest in all of Assignor's assets, including, without limitation, its patents, patent rights, patent applications, service marks, trademarks, service trademark applications, service trade names, goodwill, copyrights and licenses.

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

1. **Incorporation of Loan Agreement.** The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

2. **Collateral Assignment** To secure the complete and timely payment and satisfaction of all Bank Indebtedness, Assignor hereby assigns, mortgages, pledges, grants a security interest in, and transfers to Assignee for the benefit of Assignee, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale, to the extent permitted by law, all of such Assignor's right, title and interest in and to all of its now owned or existing and filed and hereafter acquired or arising and filed:

a. patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on **Exhibit "A"**, attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "**Patents**");

b. service marks, trademarks, service mark and trademark registrations, trade names and trademark applications, including, without limitation, the service marks, trademarks and applications listed on **Exhibit "B"**, attached hereto and made a part hereof and all goodwill in connection therewith, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including without limitation, damages and payments

for past or future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing service marks, trademarks, service mark and trademark registrations, service mark and trade names and applications together with the items described in clauses (a)-(d), are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**");

c. copyrights, copyright registrations, copyright applications and all computer programs, operating systems, application systems, hardware or software of any nature whatsoever owned by Assignor, whether operational, under development or inactive, including all object codes, source codes, modules, technical manuals, user manuals, operating instructions and procedures, in-put and out-put formats, program listings, narrative descriptions, program flow charts, file layouts, report layouts, screen layouts and other documentation therefor (including internal notes, memoranda, status evaluations, marketing information and write-ups), and all improvements, modifications, enhancements, new releases and revisions thereof, whether in machine-readable form, programming language or any other language or symbols, and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature; together with all tangible media upon which any of the foregoing are recorded or encoded, including, without limitation, all chips, disks, tapes, film and paper; including, without limitation, the copyrights, copyrights registrations and copyrights applications listed on **Exhibit "C"** attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and (c) the right to sue for past, present and future infringements thereof (all of the foregoing items are sometimes referred to herein collectively as the "**Copyrights**");

d. license agreements with any other party, whether Assignor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on **Exhibit "D"** attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale all inventory now or hereafter owned by Assignor and now or hereafter covered by such licenses (all of the foregoing is hereinafter referred to collectively as the "**Licenses**"); and

e. all goodwill in connection with the foregoing.

3. **Restrictions on Future Agreements.** Assignor agrees that until all Bank Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor will not, without Assignee's prior written consent, enter into any agreement (including, without limitation, any license or royalty agreement) which is inconsistent with Assignor's obligations under this Assignment or which is prohibited under the terms of the Loan Agreement, and Assignor further agrees that it will not take any action, or permit any action to be taken by others, subject to its control, including licensees, or fail to take any action, which would affect the validity or enforcement of the rights of Assignee under this Assignment.

4. **New Patents, Trademarks, Copyrights and Licenses.** Assignor represents and warrants that the Patents, Trademarks, Copyrights and Licenses listed on **Exhibits "A", "B", "C" and "D"**, respectively, constitute all of the patents, trademarks, applications, copyrights and licenses now owned by Assignor. If, before all Bank Indebtedness shall have been satisfied in full and the Loan Agreement shall have been terminated, Assignor shall (i) obtain rights to any new patentable inventions, trademarks, trademark registrations, trade names, copyrights or licenses, or (ii) become entitled to the benefit of any patent or trademark application, trademark, trademark registration, copyright or license renewal, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement

on any Patent, the provisions of **Section 1** above shall automatically apply thereto and Assignor shall give to Assignee prompt written notice thereof. Assignor hereby authorizes Assignee to modify this Assignment by amending **Exhibit "A", "B", "C" and/or "D"**, as applicable, to include any future patents, patent applications, trademarks, trademark registrations, trademark applications, trade names, copyrights and licenses which are Patents, Trademarks, Copyrights or Licenses, as applicable, under **Section 2** above or under this **Section 4**.

5. **Royalties; Term.** Assignor hereby agrees that any use by Assignee permitted hereunder of all Patents, Trademarks, Copyrights and Licenses as described above shall be worldwide and without any liability for royalties or other related charges from Assignee to Assignor. The term of the assignment granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks, Copyrights and Licenses assigned hereunder, or (ii) the date on which all Bank Indebtedness has been paid in full and the Loan Agreement is terminated.

6. **Assignee's Right to Inspect.** Assignee shall have the right, at any time and from time to time, to inspect Assignor's premises and to examine Assignor's books, records and operations, including, without limitation, Assignor's quality control processes. Assignor agrees that Assignee, or a conservator appointed by Assignee, shall have the right to establish such additional reasonable product quality controls as Assignee, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Assignor under the Trademarks. Assignor agrees (i) not to sell or assign its interest in, or grant any license under, the Patents, Trademarks, Copyrights or Licenses, without the prior written consent of Assignee; (ii) to maintain the quality of any and all products in connection with which the Trademarks and/or the Copyrights are used, substantially consistent with the quality of said products as of the date hereof; (iii) not to materially adversely change the quality of said products without Assignee's express written consent; and (iv) to provide Assignee, upon request, with a certificate of an officer of Assignor certifying Assignor's compliance with the foregoing.

7. **Duties of Assignor.** Assignor shall have the duty (i) to prosecute diligently any patent, trademark and copyright application pending as of the date hereof or thereafter until all Bank Indebtedness shall have been paid in full and the Loan Agreement is terminated, (ii) to make application on unpatented but patentable inventions and on trademarks and copyrights, as appropriate, and (iii) to preserve and maintain all rights in patent applications and patents of the Patents, in trademark applications, trademarks and trademark registrations of the Trademarks and in copyright applications and copyrights of the Copyrights, in each case which are material to its business. Any expenses incurred in connection with such applications shall be borne by Assignor. Assignor shall not abandon any right to file a patent, trademark or copyright application, or any pending patent, trademark or copyright application, or any Patent, Trademark or Copyright, without the consent of Assignee, which consent shall not be unreasonably withheld.

8. **Assignee's Right to Sue.** After the occurrence of an Event of Default, Assignee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Licenses, Patents, Copyrights and/or Trademarks, and any licenses thereunder, and, if Assignee shall commence any such suit, Assignor shall, at the request of Assignee, do any and all lawful acts and execute any and all proper documents required by Assignee in aid of such enforcement and Assignor shall promptly, upon demand, reimburse and indemnify Assignee for all costs and expenses incurred by Assignee in the exercise of its rights under this **Section 8**.

9. **Waivers.** No course of dealing between Assignor and Assignee, nor any failure to exercise, nor any delay in exercising, on the part of Assignee, any right, power or privilege hereunder or under the Loan

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.

10. **Severability.** The provisions of this Assignment are severable, and if any clause or provision shall be 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 Assignment in any jurisdiction.

11. **Modification.** This Assignment cannot be altered, amended or modified in any way, except as specifically provided in **Section 4** hereof or by a writing signed by the parties hereto.

12. **Cumulative Remedies; Power of Attorney; Effect on Loan Agreement.** All of Assignee's rights and remedies with respect to the Patents, Trademarks, Copyrights and Licenses, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Assignor hereby authorizes Assignee to make, constitute and appoint any officer or agent of Assignee as Assignee may select, in its sole discretion, as Assignor's true and lawful attorney-in-fact, with power to (i) endorse Assignor's name on all applications, documents, papers and instruments necessary or reasonably desirable for the use by Assignee or its successors or assigns of the Patents, Trademarks, Copyrights and/or Licenses in the event Assignor fails to do so upon request of Assignee, or (ii) take any other actions with respect to the Patents, Trademarks, Copyrights and/or Licenses as the Assignee reasonably deems in the best interest of the Assignee in the event Assignor fails to do so upon request of assignee, (iii) following an Event of Default, grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to anyone, or (iv) following an Event of Default, assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights and/or Licenses to anyone, including Assignee. Assignee may act under such power of attorney to take the actions referenced in **Section 4** hereof. Assignee hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until all Bank Indebtedness shall have been paid in full and the Loan Agreement shall have been terminated. Assignor acknowledges and agrees that this Assignment is not intended to limit or restrict in any way the rights and remedies of Assignee under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies given it by the terms of this Assignment, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks, Copyrights or Licenses may be located.

13. **Binding Effect; Benefits.** This Assignment shall be binding upon the Assignor and its successors and assigns, and shall inure to the benefit of Assignee, its nominees, successors and assigns.

14. **Governing Law.** This Assignment shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment the day and year first above written.

MOTORWORKS, INC.

By: 

Name/Title: Joseph A. Roberts, President

[CORPORATE SEAL]

Attest: 

Name/Title: Joseph A. Roberts, Secretary

SOVEREIGN BANK

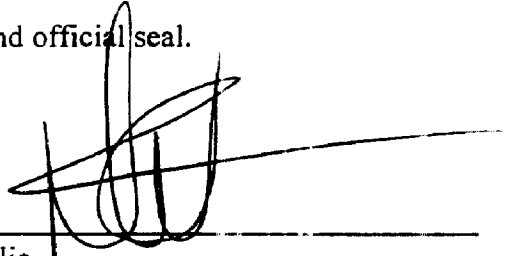
By: 

Name/Title: Randall L. Siegel, JVP

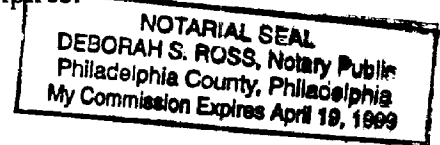
COMMONWEALTH OF PENNSYLVANIA :
Philadelphia : SS.
COUNTY OF MONTGOMERY :

On this, the 31st day of December, 1998, before me, a Notary Public, personally appeared Joseph A. Roberts, who acknowledged himself to be a duly acting _____ of Motorworks, Inc., a Pennsylvania corporation, and that he as such officer, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public
My commission expires:



COMMONWEALTH OF PENNSYLVANIA :

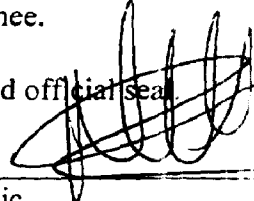
Philadelphia

: ss:

COUNTY OF MONTGOMERY :

On this 31st day of December, 1998, before me, a Notary Public, personally appeared Randall W. Siegele, who acknowledged himself to be a duly acting Senior Vice-President of Sovereign Bank and that he as such officer, being duly authorized to do so, executed the foregoing Assignment for the purposes therein contained by signing his name as such officer on behalf of the Assignee.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal



Notary Public
My Commission Expires

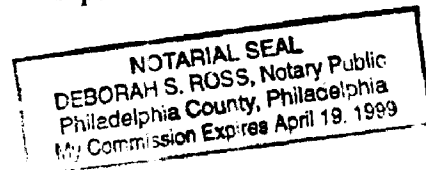


EXHIBIT "A"

TO

**ASSIGNMENT OF PATENT, TRADEMARK,
COPYRIGHT AND LICENSES AGREEMENT**

Patents

NONE

EXHIBIT "B"

TO

**ASSIGNMENT OF PATENT, TRADEMARK,
COPYRIGHT AND LICENSES AGREEMENT**

U.S. Trademarks

<u>Trademark</u>	<u>Application/Registration No.</u>
Motorworks Logo with design - SEE ATTACHED	2,167,502
Dr. Motorworx Logo with design- SEE ATTACHED	1,782,892
Dr. Motorworx Logo with design- SEE ATTACHED	2,039,929

Business Names

Motorworks, Inc.

Int. Cls.: 35 and 37

Prior U.S. Cls.: 100, 101, 102, 103 and 106

United States Patent and Trademark Office

Reg. No. 2,167,502

Registered June 23, 1998

SERVICE MARK
PRINCIPAL REGISTER



MOTORWORKS, INC. (PENNSYLVANIA COR-
PORATION)
4210 SALEM ST
PHILADELPHIA, PA 19124

FOR: RETAIL STORE SERVICES FEATUR-
ING REMANUFACTURED AUTOMOBILE AND
LIGHT TRUCK ENGINES, IN CLASS 35 (U.S.
CLS. 100, 101 AND 102).

FIRST USE 11-0-1987; IN COMMERCE
11-0-1987.

FOR: INSTALLATION OF REMANUFAC-
TURED AUTO AND LIGHT TRUCK ENGINES,
IN CLASS 37 (U.S. CLS. 100, 103 AND 106).

FIRST USE 11-0-1987; IN COMMERCE
11-0-1987.

"NO CLAIM IS MADE TO THE EXCLUSIVE
RIGHT TO USE "MOTORWORKS REMANU-
FACTURED ENGINE INSTALLATION CEN-
TERS", APART FROM THE MARK AS SHOWN.

SER. NO. 75-295,209, FILED 5-20-1997.

ANNE MADDEN, EXAMINING ATTORNEY

TRADEMARK
REEL: 1840 FRAME: 0642

Int. Cl.: 35



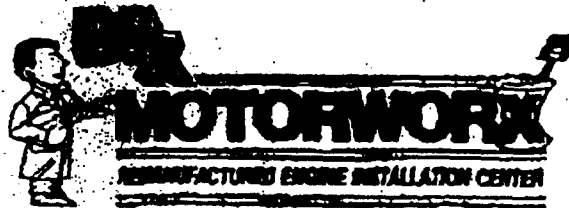
Prior U.S. Cl.: 101

Reg. No. 1,782,892

United States Patent and Trademark Office

Registered July 20, 1993

SERVICE MARK
PRINCIPAL REGISTER



MOTORWORKS, INC. (PENNSYLVANIA COR-
PORATION)
4210 SALEM ST.
PHILADELPHIA, PA 19124

FOR: RENDERING TECHNICAL AID AND
ASSISTANCE IN THE ESTABLISHMENT AND
OPERATION OF INDEPENDENTLY OWNED
BUSINESSES SPECIALIZING IN REMANU-
FACTURED ENGINE INSTALLATION SER-
VICES. IN CLASS 35 (U.S. CL. 101).

FIRST USE 1-9-1992. IN COMMERCE
1-9-1992.

NO CLAIM IS MADE TO THE EXCLUSIVE
RIGHT TO USE "REMANUFACTURED
ENGINE INSTALLATION CENTER", APART
FROM THE MARK AS SHOWN.

THE MARK CONSISTS IN PART OF THE
REPRESENTATION OF A STYLIZED MORTAR
AND PESTLE.

SER. NO. 74-328,247, FILED 11-4-1992.

EDWARD NELSON, EXAMINING ATTORNEY

Int. Cls.: 37 and 42

Prior U.S. Cls.: 100, 101, 103 and 106

Reg. No. 2,039,929

United States Patent and Trademark Office

Registered Feb. 25, 1997

SERVICE MARK
PRINCIPAL REGISTER



MOTORWORKS INC (PENNSYLVANIA CORPORATION)
4210 SALEM ST
PHILADELPHIA, PA 19124

FOR: AUTOMOBILE REPAIR AND MAINTENANCE. IN CLASS 37 (U.S. CLS. 100, 103 AND 106).

FIRST USE 5-0-1994; IN COMMERCE 5-0-1994

FOR: RETAIL AUTOMOBILE PARTS AND ACCESSORIES STORES. IN CLASS 42 (U.S. CLS. 100 AND 101).

FIRST USE 5-0-1994; IN COMMERCE 5-0-1994

OWNER OF U.S. REG. NOS. 1,782,802 AND 1,869,963.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "REMANUFACTURED ENGINE INSTALLATION CENTERS", APART FROM THE MARK AS SHOWN

THE LINING SHOWN IN THE DRAWING IS NOT INTENDED TO INDICATE COLOR. THE STIPPLING SHOWN IN THE DRAWING IS NOT INTENDED TO INDICATE COLOR.

SER. NO. 74-721,620, FILED 8-28-1995.

KEVIN PESKA, EXAMINING ATTORNEY

EXHIBIT "C"

TO

**ASSIGNMENT OF PATENT, TRADEMARK,
COPYRIGHT AND LICENSES AGREEMENT**

Copyrights

NONE

EXHIBIT "D"

TO

**ASSIGNMENT OF PATENT, TRADEMARK,
COPYRIGHT AND LICENSES AGREEMENT**

Licenses

NONE