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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): ACTIVE GEAR, L.L.C.

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State (WA)
☐ Other

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

2. Name and address of receiving party(ies):

Name: The Chase Manhattan Bank, as Administrative Agent
Internal Address:
Street Address: 4 MetroTech Center, 5th Floor
City: Brooklyn State: NY ZIP: 11245

☐ Individual(s) citizenship
☐ Association
☐ General Partnership
☐ Limited Partnership
☐ Corporation-State
☒ Other New York banking corporation

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

3. Nature of conveyance:

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

Execution Date: September 30, 1999

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s) **2,047,456**

Additional numbers attached? ☐ Yes ☒ No

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

Name: Kristopher E. Ahrend, Esq.
Internal Address: Simpson Thacher & Bartlett

Street Address: 425 Lexington Avenue

City: New York State: New York ZIP: 10017

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:

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

**DO NOT USE THIS SPACE**

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

Kristopher E. Ahrend, Esq. — Name of Person Signing
KEAhrend — Signature
12/28/99 — Date

02/03/2000 DNGUYEN 00000256 2047456

Total number of pages comprising cover sheet: 54

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

# GUARANTEE AND COLLATERAL AGREEMENT

made by

CITY TRUCK HOLDINGS, INC.,

HDA PARTS SYSTEM, INC.

and certain of its Subsidiaries

in favor of

THE CHASE MANHATTAN BANK,
as Administrative Agent

Dated as of September 30, 1999

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# GUARANTEE AND COLLATERAL AGREEMENT

GUARANTEE AND COLLATERAL AGREEMENT, dated as of September 30, 1999, made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of THE CHASE MANHATTAN BANK, as Administrative Agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions (the "Lenders") from time to time parties to the Credit Agreement, dated as of September 30, 1999 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among City Truck Holdings, Inc. ("Holdings"), HDA Parts System, Inc. (the "Borrower"), the Lenders, the Syndication Agent, the Documentation Agent and the Administrative Agent.

## WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, each of Holdings and the Borrower is a member of an affiliated group of companies that includes each other Grantor;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses;

WHEREAS, the Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent for the ratable benefit of the Lenders;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Administrative Agent, for the ratable benefit of the Lenders, as follows:

## SECTION 1 DEFINED TERMS

1.1 Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the New York UCC: Accounts, Certificated Security, Chattel Paper, Documents, Equipment, Farm Products, Instruments and Inventory.

(b) The following terms shall have the following meanings:

"Agreement": this Guarantee and Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Obligations": the collective reference to the unpaid principal of and interest on the Loans and Reimbursement Obligations and all other obligations and liabilities of the

Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and Reimbursement Obligations and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Administrative Agent or any Lender (or, in the case of any Lender Hedge Agreement, any Affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, this Agreement, the other Loan Documents, any Letter of Credit, any Lender Hedge Agreement or any other document made, delivered or given in connection with any of the foregoing, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements).

"Collateral": as defined in Section 3.

"Collateral Account": any collateral account established by the Administrative Agent as provided in Section 6.1 or 6.4.

"Contracts" with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including, without limitation, (i) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of such Grantor to damages arising thereunder and (iii) all rights of such Grantor to perform and to exercise all remedies thereunder.

"Copyrights": (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished (including, without limitation, those listed in Schedule 6), all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, and (ii) the right to obtain all renewals thereof.

"Copyright Licenses": any written agreement naming any Grantor as licensor or licensee (including, without limitation, those listed in Schedule 6), granting any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

"Deposit Account": as defined in the Uniform Commercial Code of any applicable jurisdiction and, in any event, including, without limitation, any demand, time, savings, passbook or like account maintained with a depositary institution.

"Foreign Subsidiary": any Subsidiary organized under the laws of any jurisdiction outside the United States of America.

"Foreign Subsidiary Voting Stock": the voting Capital Stock of any Foreign Subsidiary.

"General Intangibles": all "general intangibles" as such term is defined in Section 9-106 of the New York UCC and, in any event, including, without limitation, with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including, without limitation, (i) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of such Grantor to damages arising thereunder and (iii) all rights of such Grantor to perform and to exercise all remedies thereunder, in each case to the extent the grant by such Grantor of a security interest pursuant to this Agreement in its right, title and interest in such contract, agreement, instrument or indenture is not prohibited by such contract, agreement, instrument or indenture without the consent of any other party thereto, would not give any other party to such contract, agreement, instrument or indenture the right to terminate its obligations thereunder, or is permitted with consent if all necessary consents to such grant of a security interest have been obtained from the other parties thereto (it being understood that the foregoing shall not be deemed to obligate such Grantor to obtain such consents); provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a security interest pursuant to this Agreement in any Receivable or any money or other amounts due or to become due under any such contract, agreement, instrument or indenture.

"Guarantor Obligations": with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including, without limitation, Section 2) or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Loan Document).

"Guarantors": the collective reference to each Grantor other than the Borrower.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Investment Property": the collective reference to (i) all "investment property" as such term is defined in Section 9-115 of the New York UCC (other than any Foreign Subsidiary Voting Stock excluded from the definition of "Pledged Stock") and (ii) whether or not constituting "investment property" as so defined, all Pledged Notes and all Pledged Stock.

"Issuers": the collective reference to each issuer of any Investment Property.

"Lender Hedge Agreements": all interest rate swaps, caps or collar agreements or similar arrangements entered into by the Borrower with any Lender (or any Affiliate of any Lender) providing for protection against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies.

"New York UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations": (i) in the case of the Borrower, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

"Patents": (i) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, including, without limitation, any of the foregoing referred to in Schedule 6, (ii) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including, without limitation, any of the foregoing referred to in Schedule 6, and (iii) all rights to obtain any reissues or extensions of the foregoing.

"Patent License": all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent, including, without limitation, any of the foregoing referred to in Schedule 6.

"Pledged Notes": all promissory notes listed on Schedule 2 and all promissory notes issued to or held by any Grantor (other than promissory notes issued in connection with extensions of trade credit by any Grantor in the ordinary course of business).

"Pledged Stock": the shares of Capital Stock listed on Schedule 2, together with any other shares, stock certificates, options or rights of any nature whatsoever in respect of the Capital Stock of any Person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect; provided that in no event shall more than 65% of the total outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary be required to be pledged hereunder.

"Proceeds": all "proceeds" as such term is defined in Section 9-306(1) of the New York UCC and, in any event, shall include, without limitation, all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

"Receivable": any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account).

"Securities Act": the Securities Act of 1933, as amended.

"Trademarks": (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, including, without limitation, any of the foregoing referred to in Schedule 6, and (ii) the right to obtain all renewals thereof.

"Trademark License": any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including, without limitation, any of the foregoing referred to in Schedule 6.

"Vehicles": all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state including, without limitation, all tires and other appurtenances to any of the foregoing.

1.2 Other Definitional Provisions. (a) The words "hereof," "herein", "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor's Collateral or the relevant part thereof.

## SECTION 2. GUARANTEE

2.1 Guarantee. (a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Loan Documents shall in no event exceed the amount that can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 2.2).

(c) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until all the Borrower Obligations and the obligations of each Guarantor under the guarantee contained in this Section 2 shall have been satisfied by payment in full, no Letter of Credit shall be outstanding and the Commitments shall be terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Borrower Obligations.

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to

the maximum liability of such Guarantor hereunder until the Borrower Obligations are paid in full, no Letter of Credit shall be outstanding and the Commitments are terminated.

2.2 Right of Contribution. Each Subsidiary Guarantor hereby agrees that to the extent that a Subsidiary Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Subsidiary Guarantor hereunder that has not paid its proportionate share of such payment. Each Subsidiary Guarantor's right of contribution shall be subject to the terms and conditions of Section 2.3. The provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Subsidiary Guarantor to the Administrative Agent and the Lenders, and each Subsidiary Guarantor shall remain liable to the Administrative Agent and the Lenders for the full amount guaranteed by such Subsidiary Guarantor hereunder.

2.3 No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Borrower Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Borrower Obligations are paid in full, no Letter of Credit shall be outstanding and the Commitments are terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Borrower Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

2.4 Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.5 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof

of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to or be asserted by the Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) that constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.6 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.7 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the office of the Administrative Agent located at 270 Park Avenue, New York, New York 10017.

## SECTION 3. GRANT OF SECURITY INTEREST

Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent, for the ratable benefit of the Lenders, a security interest in, all of the



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following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations,:

(a) all Accounts;

(b) all Chattel Paper;

(c) all Contracts;

(d) all Deposit Accounts;

(e) all Documents;

(f) all Equipment;

(g) all General Intangibles;

(h) all Instruments;

(i) all Intellectual Property;

(j) all Inventory;

(k) all Investment Property;

(l) all other property not otherwise described above;

(m) all books and records pertaining to the Collateral; and

(n) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

## SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby represents and warrants to the Administrative Agent and each Lender that:

4.1 Title; No Other Liens. Except for the security interest granted to the Administrative Agent for the ratable benefit of the Lenders pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent, for the ratable benefit of the Lenders, pursuant to this Agreement or as are otherwise permitted by the Credit Agreement.

4.2 Perfected First Priority Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 3 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Administrative Agent in completed and duly executed form) will constitute valid perfected security interests in all of the Collateral in favor of the Administrative Agent, for the ratable benefit of the Lenders, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for Liens permitted by the Credit Agreement that have priority over the Liens on the Collateral by operation of law.

4.3 Chief Executive Office. On the date hereof, such Grantor's jurisdiction of organization and the location of such Grantor's chief executive office or principal place of business are specified on Schedule 4.

4.4 Inventory and Equipment. On the date hereof, the Grantors' Inventory and all Equipment (other than mobile goods) are kept at the locations listed on Schedule 5 except that the Grantors may keep Inventory and Equipment (i) in an amount not to exceed $500,000 in locations outside of the United States and (ii) in an amount not to exceed $2,000,000 within the United States at locations other than those listed on Schedule 5.

4.5 Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.6 Investment Property. (a) The shares of Pledged Stock pledged by such Grantor hereunder constitute all the issued and outstanding shares of all classes of the Capital Stock of each Issuer owned by such Grantor or, in the case of Foreign Subsidiary Voting Stock, if less, 65% of the outstanding Foreign Subsidiary Voting Stock of each relevant Issuer.

(b) All the shares of the Pledged Stock have been duly and validly issued and are fully paid and nonassessable.

(c) Each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(d) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement.

4.7 Receivables. (a) No amount payable to such Grantor under or in connection with any Receivable is evidenced by any Instrument or Chattel Paper evidencing an obligation in excess of $100,000 that has not been delivered to the Administrative Agent.

(b) Receivables with respect to which any obligor is a Governmental Authority do not constitute a material portion of the Collateral.

(c) The amounts represented by such Grantor to the Lenders from time to time as owing to such Grantor in respect of the Receivables will at such times be accurate in all material respects.

4.8 Intellectual Property. (a) Schedule 6 lists all Intellectual Property owned by such Grantor in its own name on the date hereof.

(b) On the date hereof, all material Intellectual Property is valid, subsisting, unexpired and enforceable, has not been abandoned and does not infringe the intellectual property rights of any other Person.

(c) Except as set forth in Schedule 6, on the date hereof, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(d) No holding, decision or judgment has been rendered by any Governmental Authority that would limit, cancel or question the validity of, or such Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect.

(e) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof (i) seeking to limit, cancel or question the validity of any Intellectual Property or such Grantor's ownership interest therein, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Intellectual Property.

## SECTION 5. COVENANTS

Each Grantor covenants and agrees with the Administrative Agent and the Lenders that, from and after the date of this Agreement until the Obligations shall have been paid in full, no Letter of Credit shall be outstanding and the Commitments shall have terminated:

5.1 Delivery of Instruments, Certificated Securities and Chattel Paper. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper evidencing an obligation in excess of $100,000, such Instrument, Certificated Security or Chattel Paper shall be promptly delivered to the Administrative Agent, duly indorsed in a manner satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement.

5.2 Maintenance of Insurance. (a) Such Grantor will maintain, with financially sound and reputable companies, insurance policies (i) insuring the Inventory, Equipment and Vehicles against loss by fire, explosion, theft and such other casualties as may be reasonably satisfactory to the Administrative Agent and (ii) to the extent reasonably requested by the Administrative Agent, insuring such Grantor, the Administrative Agent and the Lenders against liability for personal injury and property damage relating to such Inventory, Equipment and Vehicles, such policies to be in such form and amounts and having such coverage as may be reasonably satisfactory to the Administrative Agent and the Lenders.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 10 days after receipt by the Administrative Agent of written notice thereof, (ii) name the Administrative Agent as insured party or loss payee and (iii) be reasonably satisfactory in all other respects to the Administrative Agent.



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5.3 Payment of Obligations. Such Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings, reserves in conformity with GAAP with respect thereto have been provided on the books of such Grantor and such proceedings could not reasonably be expected to result in the sale, forfeiture or loss of any material portion of the Collateral or any interest therein.

5.4 Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.2 and shall defend such security interest against the claims and demands of all Persons whomsoever.

(b) Such Grantor will furnish to the Administrative Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as the Administrative Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (i) filing any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment Property, Deposit Accounts and any other relevant Collateral, taking any actions necessary to enable the Administrative Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto.

5.5 Changes in Locations, Name, etc. Such Grantor will not, except upon 15 days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of (a) all additional executed financing statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein and (b) if applicable, a written supplement to Schedule 5 showing any additional location at which Inventory or Equipment shall be kept:

(i) permit any of its Inventory or Equipment to be kept at a location other than those listed on Schedule 5 except that the Grantors may keep Inventory and Equipment (i) in an amount not to exceed $500,000 in locations outside of the United States and (ii) in an amount not to exceed $2,000,000 within the United States at locations other than those listed on Schedule 5;

(ii) change its jurisdiction of organization or the location of its chief executive office or principal place of business from that referred to in Section 4.3; or

(iii) change its name, identity or corporate structure to such an extent that any financing statement filed by the Administrative Agent in connection with this Agreement would become misleading.

5.6 Notices. Such Grantor will advise the Administrative Agent and the Lenders promptly, in reasonable detail, of:

(a) any Lien (other than security interests created hereby or Liens otherwise permitted under the Credit Agreement) on any of the Collateral that would materially adversely affect the ability of the Administrative Agent to exercise any of its remedies hereunder; and

(b) of the occurrence of any other event that could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

5.7 Investment Property. (a) If such Grantor shall become entitled to receive or shall receive any stock certificate (including, without limitation, any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Administrative Agent and the Lenders, hold the same in trust for the Administrative Agent and the Lenders and deliver the same forthwith to the Administrative Agent in the exact form received, duly indorsed by such Grantor to the Administrative Agent, if required, together with an undated stock power covering such certificate duly executed in blank by such Grantor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the Administrative Agent, subject to the terms hereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Investment Property shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Lenders, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Administrative Agent, such Grantor will not (i) vote to enable, or take any other action to permit, any Issuer that is a Subsidiary of such Grantor to issue any stock or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock or other equity securities of any nature of any Issuer, unless such securities are pledged hereunder, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof (except pursuant to a transaction expressly permitted by the Credit Agreement), (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof.

(c) In the case of each Grantor that is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5.7(a) with respect to the



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Investment Property issued by it and (iii) the terms of Sections 6.3(c) and 6.7 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.3(c) or 6.7 with respect to the Investment Property issued by it.

5.8 Receivables. (a) Other than in the ordinary course of business consistent with its past practice, such Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof.

(b) Such Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

5.9 Intellectual Property. (a) Such Grantor (either itself or through licensees) will, unless otherwise appropriate in the ordinary course of its business consistent with its past practice, (i) continue to use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Administrative Agent, for the ratable benefit of the Lenders, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way.

(b) Such Grantor (either itself or through licensees) will not do any act, or omit to do any act, whereby any material Patent may become forfeited, abandoned or dedicated to the public.

(c) Such Grantor (either itself or through licensees) (i) will, unless otherwise appropriate in the ordinary course of its business consistent with its past practice, employ each material Copyright and (ii) will not (and will not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material portion of the Copyrights may become invalidated or otherwise impaired. Such Grantor will not (either itself or through licensees) do any act whereby any material portion of the Copyrights may fall into the public domain.

(d) Such Grantor (either itself or through licensees) will not do any act that knowingly uses any material Intellectual Property to infringe the intellectual property rights of any other Person.

(e) Such Grantor will notify the Administrative Agent and the Lenders immediately if it knows, or has reason to know, that any application or registration relating to any material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(f) Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such filing to the Administrative Agent within the later of (i) five Business Days after the last day of the fiscal quarter in which such filing occurs and (ii) twenty Business Days after such filing. Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Administrative Agent may reasonably request to evidence the Administrative Agent's and the Lenders' security interest in any Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(g) Such Grantor will take all reasonable and necessary steps, unless otherwise appropriate in the ordinary course of its business consistent with its past practice, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(h) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Administrative Agent after it learns thereof and sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.

## SECTION 6. REMEDIAL PROVISIONS

6.1 Certain Matters Relating to Receivables. (a) The Administrative Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Administrative Agent may require in connection with such test verifications, provided, however that the Administrative Agent will not (except after the occurrence and during the continuance of an Event of Default) communicate with obligors under the Receivables or parties to the Contracts to conduct such test verifications. At any time and from time to time, upon the Administrative Agent's request and at the expense of the relevant Grantor, such Grantor shall furnish to the Administrative Agent reports reasonably satisfactory to the Administrative Agent showing reconciliations, aging and test verifications of, and trial balances for, the Receivables.

(b) The Administrative Agent hereby authorizes each Grantor to collect such Grantor's Receivables, subject to the Administrative Agent's direction and control, and the Administrative Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Administrative Agent, subject to withdrawal by the Administrative Agent for the account of the Lenders only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent and the



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Lenders, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit. Unless otherwise agreed by the Borrower and the Administrative Agent, upon cessation or waiver of all existing Events of Default, all funds deposited in any Collateral Account shall be returned to the dominion and control of such Grantor.

(c) At the Administrative Agent's request after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Administrative Agent original or copies of all material documents evidencing, and relating to, the agreements and transactions that gave rise to the Receivables, including, without limitation, all material orders, invoices and shipping receipts.

6.2 Communications with Obligors; Grantors Remain Liable. (a) The Administrative Agent in its own name or in the name of others may, after the occurrence and during the continuance of an Event of Default, communicate with obligors under the Receivables and parties to the Contracts to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Receivables or Contracts.

(b) Upon the request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables and parties to the Contracts that the Receivables and the Contracts have been assigned to the Administrative Agent for the ratable benefit of the Lenders and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables and Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any Lender shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Administrative Agent or any Lender of any payment relating thereto, nor shall the Administrative Agent or any Lender be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto) or Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.3 Pledged Stock. (a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Stock and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the relevant Issuer and consistent with past practice, to the extent permitted in the Credit Agreement, and to exercise all voting and corporate rights with respect to the Investment Property; provided, however, that no vote shall be cast or corporate right exercised or other action taken which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing and the Administrative Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other



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Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in such order as the Administrative Agent may determine, and (ii) any or all of the Investment Property shall be registered in the name of the Administrative Agent or its nominee, and the Administrative Agent or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of any Issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly permitted hereby, if so instructed in such circumstances pay any dividends or other payments with respect to the Investment Property directly to the Administrative Agent.

6.4 Proceeds to be Turned Over To Administrative Agent. In addition to the rights of the Administrative Agent and the Lenders specified in Section 6.1 with respect to payments of Receivables, if required by the Administrative Agent at any time after an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control but, unless otherwise agreed by the Borrower and the Administrative Agent, shall be returned to the dominion and control of the appropriate Grantor upon cessation or waiver of all existing Events of Default. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent and the Lenders) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5 Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Administrative Agent's election, the Administrative Agent may apply all or any part of Proceeds held in any Collateral Account in payment of the Obligations in such order as the Administrative Agent may elect, and any part of such funds that the Administrative Agent elects not so to apply and deems not required as collateral security for the Obligations shall be paid over from time to time by the Administrative Agent to the Borrower or to whomsoever may be lawfully entitled to receive the same. Any balance of such Proceeds remaining after the Obligations shall have been paid in full, no



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Letters of Credit shall be outstanding and the Commitments shall have terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

6.6 Code and Other Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

6.7 Registration Rights. (a) If the Administrative Agent shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 6.6, and if in the opinion of the Administrative Agent it is necessary or advisable to have the Pledged Stock, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor will cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Administrative Agent, necessary or advisable to register the Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Stock, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Administrative Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. Each Grantor



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agrees to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Administrative Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Stock, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Stock for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section 6.7 valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.7 will cause irreparable injury to the Administrative Agent and the Lenders, that the Administrative Agent and the Lenders have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.7 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Credit Agreement or such action is not authorized hereunder.

6.8 Waiver; Deficiency. Each Grantor waives and agrees not to assert any rights or privileges which it may acquire under Section 9-112 of the New York UCC. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any Lender to collect such deficiency.

## SECTION 7. THE ADMINISTRATIVE AGENT

7.1 Administrative Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of



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moneys due under any Receivable or Contract or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Receivable or Contract or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.6 or 6.7, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the Lenders' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the highest rate per annum at which interest would then be payable on any category of past due ABR Loans under the Credit Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.2 Duty of Administrative Agent. The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any Lender nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Administrative Agent and the Lenders hereunder are solely to protect the Administrative Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender to exercise any such powers. The Administrative Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

7.3 Execution of Financing Statements. Pursuant to Section 9-402 of the New York UCC and any other applicable law, each Grantor authorizes the Administrative Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Administrative Agent determines appropriate to perfect the security interests of the Administrative Agent under this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

7.4 Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.



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## SECTION 8. MISCELLANEOUS

8.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each affected Grantor and the Administrative Agent, provided that any provision of this Agreement imposing obligations on any Grantor may be waived by the Administrative Agent in a written instrument executed by the Administrative Agent in accordance with subsection 10.1 of the Credit Agreement.

8.2 Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in subsection 10.2 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4 Enforcement Expenses; Indemnification. (a) Each Guarantor agrees to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in collecting against such Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Guarantor is a party, including, without limitation, the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Administrative Agent.

(b) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or enforcement of rights hereunder, or otherwise in connection with any of the transactions contemplated by this Agreement.

(c) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to subsection 10.5 of the Credit Agreement.

(d) The agreements in this Section 8.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

8.5 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Administrative Agent and the Lenders and



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their successors and assigns; provided that except pursuant to mergers or consolidations permitted under the Credit Agreement no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

8.6 Set-Off. Each Grantor hereby irrevocably authorizes the Administrative Agent and each Lender at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of such Grantor, or any part thereof in such amounts as the Administrative Agent or such Lender may elect, against and on account of the obligations and liabilities of such Grantor to the Administrative Agent or such Lender hereunder and claims of every nature and description of the Administrative Agent or such Lender against such Grantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as the Administrative Agent or such Lender may elect, whether or not the Administrative Agent or any Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Administrative Agent and each Lender shall notify such Grantor promptly of any such set-off and the application made by the Administrative Agent or such Lender of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and each Lender under this Section 8.6 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Administrative Agent or such Lender may have.

8.7 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.9 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

**8.11 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

8.12 Submission To Jurisdiction; Waivers. Each Grantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address referred to in Section 8.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.13 Acknowledgements. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Administrative Agent and Lenders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Grantors and the Lenders.

8.14 Additional Grantors. Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to subsection 6.10(c) of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex 1 hereto.

8.15 Releases. (a) At such time as the Loans, the Reimbursement Obligations and the other Obligations shall have been paid in full, the Commitments have been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall



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deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Administrative Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Borrower, a Subsidiary Guarantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Subsidiary Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Administrative Agent, at least ten Business Days prior to the date of the proposed release (or such shorter time as may be acceptable to the Administrative Agent), a written request for release identifying the relevant Subsidiary Guarantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

**8.16 WAIVER OF JURY TRIAL. EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

CITY TRUCK HOLDINGS, INC.

By: _____
Title: VP, CFO and Secretary

HDA PARTS SYSTEM, INC.

By: _____
Title: VP, CFO and Secretary

ACTIVE GEAR, L.L.C.

By: _____
Title: Vice President

ASSOCIATED BRAKE SUPPLY, INC.

By: _____
Title: Vice President and Secretary

ASSOCIATED TRUCK CENTER, INC.

By: _____
Title: Vice President and Secretary

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ASSOCIATED TRUCK PARTS OF NEVADA, INC.

By: _____
Title: Vice President and Secretary

AUTOMOTIVE SALES COMPANY, INC.

By: _____
Title: Vice President

CB ACQUISITION SUB, INC.

By: _____
Title: Vice President

CITY FRICTION, INC.

By: _____
Title: Vice President

CITY SPRING WORKS, INC.

By: _____
Title: Vice President

CITY TRUCK & TRAILER PARTS OF ALABAMA, INC.

By: _____
Title: Vice President

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CITY TRUCK & TRAILER PARTS OF ALABAMA, L.L.C.

By: John P Mill
Title: Vice President

CITY TRUCK & TRAILER PARTS OF TENNESSEE, INC.

By: John P Mill
Title: Vice President

FLEETPRIDE, INC.

By: John P Mill
Title: Vice President

FOUR-T SALES & SERVICE, INC.

By: John P Mill
Title: Vice President

FREEWAY TRUCK PARTS OF WASHINGTON, INC.

By: John P Mill
Title: Vice President

HOLT INCORPORATED

By: John P Mill
Title: Vice President

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NEW ENGLAND TRUCK & AUTO SERVICE, INC.

By: _____
Title: Vice President

ONYX DISTRIBUTION, INC.

By: _____
Title: Vice President

PARTS DISTRIBUTING COMPANY, LTD.

By: _____
Title: Vice President

PARTS HOLDING COMPANY

By: _____
Title: Vice President

PARTS MANAGEMENT COMPANY

By: _____
Title: Vice President

POWER EQUIPMENT INTERNATIONAL, INC.

By: _____
Title: Vice President

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POWER EXPORT DISTRIBUTING COMPANY

By: _____
Title: Vice President

QDSP HOLDINGS, INC.

By: _____
Title: Vice President

QUALITY DISTRIBUTION SERVICE PARTNERS, INC.

By: _____
Title: Vice President

SLM POWER GROUP, INC.

By: _____
Title: Vice President

SPECIALIZED SALES & SERVICE, INC.

By: _____
Title: Vice President

STATS REMANUFACTURING CENTER, INC.

By: _____
Title: Vice President

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SUPERIOR TRUCK & AUTO SUPPLY, INC.

By: _____
Title: Vice President and Secretary

TBS INCORPORATED

By: _____
Title: Vice President

TISCO, INC.

By: _____
Title: Vice President and Secretary

TISCO OF REDDING, INC.

By: _____
Title: Vice President and Secretary

TRUCK CITY PARTS, INC.

By: _____
Title: Vice President

TRUCK & TRAILER PARTS, INC.

By: _____
Title: Secretary

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TRUCKPARTS, INC.

By: _____
Title: Vice President of Finance

UNIVERSAL JOINT SALES COMPANY, INC.

By: _____
Title: Vice President

WHEATLEY TRUCK PARTS, INC.

By: _____
Title: Vice President

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# NOTICE ADDRESSES OF GUARANTORS

| Grantor | Location |
|---|---|
| All Grantors | [Name of Grantor]<br>c/o HDA Parts System, Inc.<br>520 Lake Cook Road<br>Deerfield, Illinois 60015<br>Attention: John P. Miller<br>Tel: 847-444-1095<br>Fax: 847-444-1096 |
| Aurora Capital Group<br>(Copies of all notices) | 10877 Wilshire Boulevard, Suite 2100<br>Los Angeles, CA 90024<br>Attention: Richard K. Roeder, Esq.<br>Tel: 310-551-0101<br>Fax: 310-551-2843 |
| Brentwood Associates<br>(Copies of all notices) | 11150 Santa Monica Boulevard, Suite 1200<br>Los Angeles, CA 90025<br>Attention: Christopher A. Laurence<br>Tel: 310-477-6611<br>Fax: 310-477-1011 |
| Jones, Day, Reavis & Pogue<br>(copies of all notices) | 77 West Wacker Drive<br>Chicago, IL 60601<br>Attn: Robert J. Graves<br>312-269-4356<br>312-782-8585 |

**Schedule 2**

DESCRIPTION OF INVESTMENT PROPERTY

**Pledged Stock:**

| Issuer | Class of Stock | Stock Certificate No. | No. of Shares |
|---|---|---|---|
| Active Gear, L.L.C. | Units | N/A | N/A |
| Associated Truck Center, Inc. | Common Stock | 1 | 1,000 |
| Associated Brake Supply, Inc. | Common Stock | 4,5 | 400 |
| Associated Truck Parts of Nevada, Inc. | Common Stock | 3,4 | 600 |
| Automotive Sales Company, Inc. | Common Stock | 1 (ASCO Acq. Sub.) | 1,000 |
| CB Acquisition Sub, Inc. | Common Stock | 1 | 1,000 |
| City Truck & Trailer Parts of Alabama, L.L.C. | N/A | N/A | N/A |
| City Truck & Trailer Parts of Alabama, Inc. | Common Stock | 1 | 1,000 |
| City Truck & Trailer Parts of Tennessee, Inc. | Common Stock | 1 | 1,000 |
| City Friction, Inc. | Common Stock | 1 | 1,000 |
| City Spring Works, Inc. | Common Stock | 1 (CSW Acq. Sub.) | 1,000 |
| Fleetpride, Inc | Common Stock | 1 (Fleetpride Acq. Sub.) | 1,000 |
| Four-T Sales & Service, Inc. | Common Stock | 1 | 10,000 |
| Freeway Truck Parts of Washington, Inc. | Common Stock | 3,4 | 300 |
| HDA Parts System, Inc. | Common Stock<br><br>Series B Preferred Stock | 49<br><br>16 | 94,229<br><br>382,372.711 |
| Holt, Incorporated | Common Stock | 1 (Holt Acq. Sub.) | 1,000 |
| New England Truck & Auto Service, Inc. | Common Stock | 4 | 80 |
| Onyx Distribution, Inc. | Common Stock | 9 | 200 |
| Parts Distributing Company, Ltd. | N/A | N/A | N/A |
| Parts Distribution Company (U.K.) Ltd. | | **4** | **21,666** |

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| | | | |
|---|---|---|---|
| Parts Holding Company | Common Stock | 1 | 1,000 |
| Parts Management Company | Common Stock | 1 | 10,000 |
| Power Equipment de Mexico, S.A. de C.V. | | **8** | **1,657** |
| Power Export Distributing Company | Common Stock | 5 | 1,000 |
| Power Equipment International, Inc. | Common Stock | 3 | 1,000 |
| QDSP Holdings, Inc. | Common Stock | 1 | 100 |
| Quality Distribution Service Partners, Inc. | Common Stock | 1 | 1,000 |
| SLM Power Group, Inc. | Common Stock | 1 (SLM Acq. Sub.) | 1,000 |
| Specialized Sales Service, Inc. | Common stock | 1,2 (Klamath Falls Spec. Service Inc.) | 100,000 |
| Stats Remanufacturing Center, Inc. | Common Stock | 1 | 40,000 |
| Superior Truck & Auto Supply, Inc. | Common Stock | 2-3, 5-6 | 10,001 |
| TBS Incorporated | Common Stock | 20 | 24,324 |
| Tisco of Redding, Inc. | Common Stock | 5-7 | 127 |
| Tisco, Inc. | Common Stock | 3 | 25,000 |
| Truck City Parts, Inc. | Common Stock | 1 (Truck City Acq. Sub.) | 1,000 |
| Truck & Trailer Parts, Inc. | Common Stock | 1,3 | 1,069 |
| Truckparts, Inc. | 6% Non-cumulative Non-participating Preferred Stock (non-voting) | 2-P, 5-P, 7-P, 9-P, 13-p, 13-P, 16-P, 19-P | 590 |
| | Class A Common Stock | 2-A, 5-A, 7-A, 9-A, 13-A, 14-A, 16-A, 19-A | 1,000 |
| | Class B Common Stock | 3-B, 4-B, 5-B, 6-B | 100 |
| Universal Joint Sales Company, Inc. | Common Stock | 1 (Universal Acq. Sub.) | 1,000 |
| Wheatley Truck & Auto Service, Inc. | Common Stock | 1 (Wheatley Acq. Sub.) | 1,000 |

# FILINGS AND OTHER ACTIONS REQUIRED TO PERFECT SECURITY INTERESTS

## Uniform Commercial Code Filings

As set forth in Schedule 4.19 to the Credit Agreement

## Patent and Trademark Filings

File this Agreement in U.S. Patent and Trademark office with respect to each patent and trademark listed on Schedule 6 and UCC financing statements with respect to each relevant Gurantor in Schedule 4.19 to the Credit Agreement.

## Actions with respect to Pledged Stock

Delivery

## Other Actions

None

## Schedule 4

### a) Jurisdictions of Organization

| | |
|---|---|
| Active Gear, L.L.C. | Washington |
| Associated Brake Supply, Inc. | California |
| Associated Truck Center, Inc. | California |
| Associated Truck Parts of Nevada, Inc. | Nevada |
| Automotive Sales Company, Inc. | Delaware |
| CB Acquisition Sub, Inc. | Delaware |
| City Friction, Inc. | Alabama |
| City Spring Works, Inc. | Delaware |
| City Truck & Trailer Parts of Alabama, Inc. | Alabama |
| City Truck & Trailer Parts of Alabama, L.L.C. | Alabama |
| City Truck & Trailer Parts of Tennessee, Inc. | Tennessee |
| City Truck Holdings, Inc. | Delaware |
| Fleetpride, Inc. | Delaware |
| Four-T Sales & Service, Inc. | Nebraska |
| Freeway Truck Parts of Washington, Inc. | Washington |
| HDA Parts System, Inc. | Alabama |
| Holt Incorporated | Delaware |
| New England Truck & Auto Service, Inc. | Massachusetts |
| Onyx Distribution, Inc. | California |
| Parts Distributing Company, Ltd. | Texas |
| Parts Holding Company | Nevada |
| Parts Management Company | Texas |
| Power Equipment International, Inc. | Texas |
| Power Export Distributing Company | Texas |
| QDSP Holdings, Inc. | Delaware |
| Quality Distribution Service Partners, Inc. | Delaware |
| Specialized Sales & Service, Inc. | Oregon |
| Stats Remanufacturing Center, Inc. | Nebraska |
| Superior Truck & Auto Supply, Inc. | Massachusetts |
| TBS Incorporated | Arizona |
| Tisco, Inc. | California |
| Tisco of Redding, Inc. | California |
| Truck City Parts, Inc. | Delaware |
| Truck & Trailer Parts, Inc. | Georgia |
| Truckparts, Inc. | Connecticut |

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| Universal Joint Sales Company, Inc. | Delaware |
| Wheatley Truck Parts, Inc. | Delaware |

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b) **Chief Executive Offices**

| | |
|---|---|
| Active Gear, L.L.C | 600 S. Dakota<br>P.O. Box 80986<br>Seattle, Washington |
| Associated Brake Supply, Inc. | 17010 S. Main Street<br>Gardena, California 90248 |
| Associated Truck Center, Inc. | 17010 S. Main Street<br>Gardena, California 90248 |
| Associated Truck Parts of Nevada, Inc. | 17010 S. Main Street<br>Gardena, California 90248 |
| Automotive Sales Company, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| CB Acquisition Sub, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| City Friction, Inc. | 2912 3rd Ave N<br>Birmingham, Alabama 35203 |
| City Spring Works, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| City Truck Holdings, Inc. | 2912 3rd Ave N<br>Birmingham, Alabama 35203 |
| City Truck & Trailer Parts of Alabama, Inc. | 2912 3rd Ave N<br>Birmingham, Alabama 35203 |
| City Truck & Trailer Parts of Tennessee, Inc. | 2912 3rd Ave N<br>Birmingham, Alabama 35203 |
| City Truck & Trailer Parts of Alabama, L.L.C. | 2912 3rd Ave N<br>Birmingham, Alabama 35203 |
| Fleetpride, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |

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|---|---|
| Four-T Sales & Service, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Freeway Truck Parts of Washington, Inc. | 520 Lake Cook Road, Suite 100<br>Deerfield, Illinois 60015 |
| HDA Parts System, Inc. | 520 Lake Cook Road, Suite 100<br>Deerfield, Illinois 60015 |
| Holt, Incorporated | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| New England Truck & Auto Services, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Onyx Distribution, Inc. | 824 E. Anaheim Street, #B<br>Wilmington, California 90744 |
| Parts Management Company | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Parts Holding Company | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Parts Distributing Company, Ltd. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Power Export Distributing Company | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Power Equipment International, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| QDSP Holdings, Inc. | 1 Pierce Place,<br>Suite 295E<br>Itasca, Illinois 60143 |
| Quality Distribution Service Partners, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, Illinois 60143 |

| | |
|---|---|
| SLM Power Group, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Specialized Sales & Service, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Stats Remanufacturing Center, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Superior Truck & Auto Supply, Inc. | 84 Accord Park Drive<br>Norwell, Massachusetts 02061 |
| TBS Incorporated | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Tisco, Inc. | 3051 North State Street<br>Ukiah, California 95482 |
| Tisco of Redding, Inc. | 3051 North State Street<br>Ukiah, California 95482 |
| Truck & Trailer Parts, Inc. | 4145 Bonsal Road<br>Conley, Georgia |
| Truckparts, Inc. | 269 State Street<br>North Haven, Connecticut |
| Truck City Parts, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Universal Joint Sales Company, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |
| Wheatley Truck Parts, Inc. | 1 Pierce Place<br>Suite 295E<br>Itasca, IL 60143 |

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# Inventory
# and Equipment Locations

| | | |
|---|---|---|
| Active Gear, LLC | Washington | Secretary of State |
| Associated Brake Supply, Inc. | Arizona | Secretary of State |
| | California | Secretary of State |
| | Colorado | Secretary of State |
| | Nevada | Secretary of State |
| Associated Truck Center, Inc. | Arizona | Secretary of State |
| | California | Secretary of State |
| | Colorado | Secretary of State |
| Associated Truck Parts of Nevada, Inc. | California | Secretary of State |
| | Nevada | Secretary of State |
| Automotive Sales Company Inc. | Arizona | Secretary of State |
| | New Mexico | Secretary of State |
| | Texas | Secretary of State |
| CB Acquisition Sub, Inc. | Massachusetts | Secretary of the Commonwealth |
| | | Town Clerk of Worcester |
| City Friction, Inc. | Alabama | Secretary of State |
| City Spring Works, Inc. | Oklahoma | Oklahoma County |
| City Truck Holdings, Inc. | Alabama | Secretary of State |
| City Truck & Trailer Parts of Alabama, Inc. | Alabama | Secretary of State |
| | Georgia | Any county office |
| City Truck & Trailer Parts of Alabama, L.L.C. | Alabama | Secretary of State |
| | Mississippi | Secretary of State |
| | | Rankin County |
| City Truck & Trailer Parts of Tennessee, Inc. | Alabama | Secretary of State |
| | Kentucky | Secretary of State |
| | | Warren County |
| | Tennessee | Secretary of State |

| | | |
|---|---|---|
| Fleetpride, Inc. | Connecticut | Secretary of State |
| | Maine | Secretary of State |
| | Massachusetts | Secretary of the Commonwealth<br>Town Clerk of Hampden<br>Town Clerk of Norfolk<br>Town Clerk of Bristol<br>Town Clerk of Franklin |
| | New Hampshire | Secretary of State<br>Town Clerk of Rockingham |
| | Rhode Island | Secretary of State |
| | Vermont | Secretary of State |
| Four-T Sales & Service, Inc. | Nebraska | Secretary of State |
| | South Dakota | Secretary of State |
| Freeway Truck Parts of Washington, Inc. | Washington | Secretary of State |
| HDA Parts System, Inc. | Alabama | Secretary of State |
| | Connecticut | Secretary of State |
| | Florida | Secretary of State |
| | Georgia | Any county office |
| | Massachusetts | Secretary of Commonwealth<br>Town Clerk of Middlesex<br>Town Clerk of Hampden |
| | Missouri | Secretary of State<br>Jackson County |
| | North Carolina | Secretary of State<br>Buncombe County<br>Wake County<br>Nash County<br>Mecklenburg County<br>Durham County<br>Wayne County<br>Guilford County<br>Catawba County<br>Duplin County<br>New Hanover County |
| | Nevada | Secretary of State |
| | Oregon | Secretary of State |
| | South Carolina | Secretary of State |
| | Tennessee | Secretary of State |

| | | |
|---|---|---|
| | Virginia | Secretary of Commonwealth<br>Roanoke City<br>Richmond City<br>Fairfax County<br>Botetourt County<br>Norfolk County |
| | Washington | Secretary of State |
| | West Virginia | Secretary of State |
| Holt Incorporated | Nebraska<br>South Dakota | Secretary of State<br>Secretary of State |
| New England Truck & Auto Service, Inc. | Massachusetts | Secretary of Commonwealth<br>Town Clerk of Norfolk |
| Onyx Distribution, Inc. | California | Secretary of State |
| Parts Distributing Company, Ltd. | Nevada<br>Oregon<br>Texas | Secretary of State<br>Secretary of State<br>Secretary of State |
| Parts Holding Company | Nevada<br>Oregon<br>Texas | Secretary of State<br>Secretary of State<br>Secretary of State |
| Parts Management Company | Nevada<br>Oregon<br>Texas | Secretary of State<br>Secretary of State<br>Secretary of State |
| Power Equipment International, Inc. | Nevada<br>Oregon<br>Texas | Secretary of State<br>Secretary of State<br>Secretary of State |
| Power Export Distributing Company | Nevada<br>Oregon<br>Texas | Secretary of State<br>Secretary of State<br>Secretary of State |
| SLM Power Group, Inc. | Nevada<br>Oregon<br>Texas | Secretary of State<br>Secretary of State<br>Secretary of State |
| Specialized Sales & Service, Inc. | Nevada<br>Oregon<br>Texas | Secretary of State<br>Secretary of State<br>Secretary of State |
| Stats Remanufacturing Center, Inc. | Nebraska<br>South Dakota | Secretary of State<br>Secretary of State |
| Superior Truck & Auto Supply, Inc. | Massachusetts | Secretary of Commonwealth<br>Town Clerk of Plymouth County |

| | | |
|---|---|---|
| TBS Incorporated | Arizona | Secretary of State |
| Tisco, Inc. | California | Secretary of State |
| Tisco of Redding, Inc. | California | Secretary of State |
| Truck City Parts, Inc. | Kentucky | Secretary of the Commonwealth<br>Johnson County |
| | Virginia | Secretary of the Commonwealth<br>Roanoke City<br>Lynchburg City<br>Bristol City |
| | West Virginia | Secretary of State |
| Truck & Trailer Parts, Inc. | Florida | Secretary of State |
| | Georgia | Any county office |
| | North Carolina | Secretary of State<br>Mecklenburg County |
| | South Carolina | Secretary of State |
| | Texas | Secretary of State |
| Truckparts, Inc. | Connecticut | Secretary of State |
| | Massachusetts | Secretary of Commonwealth<br>Town Clerk of Middlesex County |
| Universal Joint Sales Company, Inc. | Florida | Secretary of State |
| | Pennsylvania | Secretary of the Commonwealth<br>Lackawanna County |
| Wheatley Truck Parts, Inc. | Indiana | Secretary of State |
| | Kentucky | Secretary of the Commonwealth<br>Jefferson County<br>Fayette County<br>Daviess County |

**Schedule 6**

PATENTS, TRADEMARKS AND COPYRIGHTS

1. **PATENTS**

**None**

2. **TRADEMARKS**

a. **HDA**

i. **Trademarks**

(1) **Pending/Registered**

- HDA Parts System, Inc.
  Pending Trademark - Vantage Heavy Duty Experts
  Filed: April 20, 1999
  Serial Number: 75687052
  Class of goods/services covered: Remanufacture of light, medium and heavy duty truck and trailer parts (Int. Cl. 37); distribution of light, medium and heavy duty truck and trailer parts (Int. Cl. 42).

- HDA Parts System, Inc.
  Pending Trademark - Heavy Duty Depot
  Filed: December 9, 1998
  Serial Number: 75602019
  Class of goods/services covered: Truck parts (Int. Cl. 12); distribution of truck parts (Int. Cl. 42).

- Connecticut Driveshaft
  Registered Trademark
  Brakeshoe logo (registered November 3, 1992)
  Registration Number 1,729,185
  Serial Number 74-253,175
  Class of goods covered: motor vehicle parts; namely, brake shoes and structural parts thereof, in Class 12 (U.S. Cls. 19 and 35.)

- Tisco, Inc.
  had a trademark registration that has expired. Tisco, Inc. allowed its trademark to expire and is aware of other persons using the trade name and/or trademark "Tisco".

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- Active Gear, L.L.C.
  Registered Trademark
  Active Gear logo (registered February 26, 1996)
  Registration Number 2047456
  Serial Number 75062562
  Class of goods covered: Construction and Repair Services (Int. Cl. 37)

- The names City Truck & Trailer Parts, Inc. and City Friction, Inc. are registered with Service Mark registration numbers 103-113 and 103-114 both in classification 042 for miscellaneous services.

Associated Brake Supply, Inc. knows of a company called Associated Truck Parts that is located in Pennsylvania. Associated Brake Supply, Inc. does not know (a) if the Pennsylvania company has a federally registered trademark or an application relating thereto, (b) the precise nature of that company's use of the mark or (c) the extent of any common law trademark rights the Pennsylvania company may have. The common law trademark rights for the Pennsylvania company and the common law trademark rights of Associated Brake Supply, Inc. or its subsidiaries may conflict.

**ii. Common Law Trademarks**

- Associated Brake Supply, Inc. or its subsidiaries may have common law trademark rights in the following names, to the extent they have been used:

  Associated Brake Supply
  ATP
  Associated Truck and Brake Supply
  Freeway Truck Parts
  Associated Truck Parts
  WBE Wholesale Brake Exchange
  Fleet Repair Specialists
  Onyx Distribution, Inc.
  www.atptruck.com

- Logos relating to Associated Brake Supply, Inc. and its subsidiaries.

- Superior Truck & Auto Supply, Inc. has no proprietary rights other than the right granted by the Commonwealth of Massachusetts to the exclusive use of its corporate name, while a corporation in good standing.

## iii. Trademarks Licensing Agreements

- Pursuant to the Trademark Licensing Agreement dated August 5, 1995, between HD America, Inc. and City Truck & Trailer Parts, Inc., City Truck & Trailer Parts, Inc. has the right to use all trademarks of HD America, Inc. for the duration of its status as a shareholder of HD America, Inc.

- Trademark License Agreement, dated as of July 6, 1998, by and between HD America, Inc. and City Truck & Trailer Parts, Inc., City Truck has the right to use Trademark within United States, Canada and Mexico with exclusion of the marks: HDA, HD America Inc. and Heavy Duty America. License terminates upon the event that Licensee ceases to use the license and upon breach of agreement with 60 days time to cure the breach.

- Trademark License Agreement, dated as of August 6, 1999, between HDA Parts System, Inc. and Certified Power, Inc. for the continued use of the Licensed Intellectual Property of Certified Power, Inc. after acquiring substantially all of its assets. Licensed Intellectual Property includes: Certified Power, Inc. Companies, Certified Power, Inc., Component Technology, Certified Power Train Specialists, Master Mechanic. Agreement shall terminate 90 days after date hereof, August 6, 1999.

- Karmak Master Agreement, dated as of April 30, 1999, between Karmak, Inc. and HDA Parts System, Inc. for the use of the Karmak Legend Software.

## iv. Fictitious Names and Trade Names

Associated Brake Supply, Inc. or its subsidiaries may have common law trademark rights in the following names, to the extent they have been used:

Genuine Air Products
Associated Turbo Products
Associated Truck and Brake Supply
Associated Truck Parts Co.
Associated Truck Parts
WBE Wholesale Brake Exchange
Associated Mobile Power
Associated Brake Parts
Associated Brake & Equipment
ATP Brake Supply
Associated Truck Parts of Washington, Inc. (application pending)
Fleet Repair Specialists (filed by Associated Truck Center)

None of the foregoing fictitious business names should be deemed to be material proprietary rights.

_____ may have common law trademark rights in the following names, to the extent they have been used:

Tampa Brake & Supply Co.
TBS
Since 1953 TBS
Team TBS
Team TBS - Clearwater
TBS - Lakeland
TBS - Orlando
TBS - Sarasota
TBS - Tampa

Tampa Brake & Supply Co., Inc. *"Expediter of Products that lower Your Cost Per mile"*

Tampa Brake & Supply Co., Inc. *"Florida's Heavy Duty Truck Parts Superstores"*

Tampa Brake & Supply Co., Inc. *"We're Not Just Brakes Anymore"*

Stone Heavy Duty, Inc. uses the following trade names:

Stone Heavy Duty
Stone Heavy Vehicles Specialists
Ashland Auto Parts
Truck Parts Depot

**b. <u>QDSP</u>**

**i. <u>Registered Trademarks</u>**

- <u>Fleetpride, Inc.</u> :
  Alco logo
  Registration Number 1927383
  Serial Number: 74524313
  Class of good/services covered: maintenance of commercial trucks, trailers, tractors and buses (Int. Cl. 37) ; distributorships in the field of commercial vehicles and parts therefor (Int. Cl. 42).

Fleetpride logo
Registration Number: 74520636
Serial Number: 1903023
Class of good/services covered: maintenance of commercial vehicles (Int. Cl. 37); distributorships in the field of commercial vehicles and parts therefor (Int. Cl. 42).

- Parts Distributing Company, Ltd.
  POWER PRODUCTS The Heavy Duty Connection
  Registration Number: 1917671
  Serial Number: 74417147
  Int. Classes: 9 (Electrical and Scientific Apparatus); 12 (Vehicles)
- Automotive Sales Company, Inc.
  (a) State of Arizona Trade Name Registration for Automotive Sales Company No. 074717;
  (b) State of Arizona Trade Name Registration for Industrial Fleet Repair & Parts No. 075726;
  (c) State of Arizona Trade Name Registration for Industrial Fleet Repair No. 075101.

**ii. Pending Trademarks**

An application has been filed to register the following:
FLEETPRIDE WE KEEP YOU ROLLING...SAFELY

**3. Copyrights**

No Grantor has registered any copyrights but each claims any common law copyright applicable to matters published by it, including but not limited to, reports to investors, news releases, product brochures and data sheets, labels, packaging material, and product designs.

SIMPSON THACHER & BARTLETT
425 LEXINGTON AVENUE
NEW YORK, N.Y. 10017-3954
(212) 455-2000

FACSIMILE: (212) 455-2502

DIRECT DIAL NUMBER
(212) 455-7227

E-MAIL ADDRESS
k_ahrend@stblaw.com

EXPRESS MAIL

December 28, 1999

Re: Recordation of Security Agreement

Commissioner of Patents and Trademarks
U.S. Patent and Trademark Office
Office of Public Records
Crystal Gateway 4, Room 335
Washington, DC 20231

Dear Madam or Sir:

Enclosed for recording please find a Security Agreement in favor of The Chase Manhattan Bank, as Administrative Agent, covering 1 U.S. trademark registration.

A check for $40 is enclosed to cover the filing fee. Please return confirmation of this filing to me at my firm's address as listed above.

Thank you for your consideration.

Respectfully submitted,

Kristopher E. Ahrend

Kristopher E. Ahrend

cc: Steve Burwell, Esq. (w/o enclosure)

Enclosure