

02-14-2000



101266860

UNITED STATES PATENT AND TRADEMARK OFFICE

RECORDATION FORM COVER SHEET

TRADEMARKS ONLY

To the Honorable Commissioner of Patents and Trademarks:

Please record the attached original document or copy thereof.

1. Name and address of conveying party:

Inventory Locator Service, Inc.
3965 Mendenhall Road, Suite 10
Memphis, TN 38115

a Tennessee corporation

2. Name and address of receiving party:

BankBoston, N.A., as Agent
100 Federal Street
Boston, MA 02110

3. Nature of conveyance: Security Agreement

Execution date: December 23, 1999

4. Application numbers and registration numbers:

- A. Trademark numbers:

See Schedule A, Part A attached hereto.

- B. Trademark application numbers:

See Schedule A, Part B attached hereto.

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

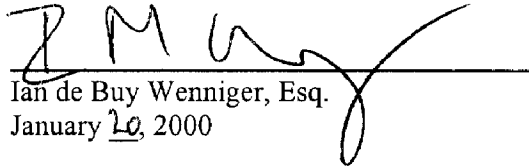
Ian de Buy Wenniger, Esq.
Bingham Dana LLP
150 Federal Street
Boston, Massachusetts 02110

6. Total number of applications and patents involved: 4

02/11/2000 INVENTEN 00000309 7/044124
01 FC:401
02 FC:402
40.00 DP
75.00 DP

7. Total fee enclosed: \$115.00
8. Deposit account number: Not applicable
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.


Ian de Buy Wenniger, Esq.
January 20, 2000

Total number of pages submitted (including cover sheet and any attached Schedules, and conveyance document and any attached Schedules): 24

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

U.S. Patent and Trademark Office
Office of Public Records
Crystal Gateway 4, Room 335
Washington, D.C. 20231

SCHEDULE I (Part A)

Trademarks

INVENTORY LOCATOR SERVICE, INC.
Trademark Applications and Registrations
Owned by Inventory Locator Service, Inc.

TRADEMARK	COUNTRY	INT'L CLASS	APPLICATION NO.	FILING DATE	REGISTRATION NO.	ISSUE DATE	STATUS
ILS & DESIGN	USA	42	74/044124	03/30/90	1662047	10/22/91	10/22/01 RENEWAL
ILS & DESIGN	USA	42	605035	06/19/86	1428877	02/10/87	02/10/07 RENEWAL
INVENTORY LOCATOR SERVICE, INC.	USA		74/043958	03/30/90	1683333	04/14/92	04/14/02 RENEWAL

TRADEMARK
REEL: 002021 FRAME: 0312

SCHEDULE I (Part B)

Trademarks

INVENTORY LOCATOR SERVICE, INC.
Trademark Applications and Registrations
Owned by Inventory Locator Service, Inc.

TRADEMARK	COUNTRY	INT'L CLASS	APPLICATION NO.	FILING DATE	REGISTRATION NO.	ISSUE DATE	STATUS
ILS & DESIGN	USA	42	74/475996	12/29/93			PENDING

TRADEMARK COLLATERAL
SECURITY AND PLEDGE AGREEMENT

This **TRADEMARK COLLATERAL SECURITY AND PLEDGE AGREEMENT** dated as of December 23, 1999, is between INVENTORY LOCATOR SERVICE, INC., a Tennessee corporation (the "Assignor"), and BANKBOSTON, N.A., a national banking association, as administrative agent (hereinafter, in such capacity the "Agent") for itself and the other lending institutions party to the Credit Agreement referred to below (hereinafter, collectively, the "Banks").

WHEREAS, the Assignor and certain other Subsidiaries of Aviall, Inc. (the "Borrower") have entered into a Guaranty (the "Guaranty"), dated as of the date hereof, in favor of the Banks and the Agent, pursuant to which the Assignor and such other Subsidiaries have, jointly and severally, guaranteed the payment and performance of the Borrower's Obligations under the Credit Agreement and the other Loan Documents to the Banks and the Agent; and

WHEREAS, the Borrower and the Agent are parties to a Revolving Credit and Term Loan Agreement dated as of December 23, 1999 (as amended and in effect from time to time, the "Credit Agreement"), by and among the Borrower, the Banks, Bank of America, N.A., as documentation agent, and the Agent; and

WHEREAS, it is a condition precedent to the agreement of the Banks to make any loans or otherwise extend credit to the Borrower under the Credit Agreement that the Assignor execute and deliver to the Agent a trademark agreement in substantially the form hereof; and

WHEREAS, the Assignor has executed and delivered to the Agent a Security Agreement of even date herewith (the "Security Agreement"), pursuant to which the Assignor has granted to the Agent a security interest in certain of the Assignor's personal property and fixture assets, including without limitation the trademarks, service marks, trademark and service mark registrations, and trademark and service mark registration applications listed on Schedule A attached hereto, all to secure the payment and performance of the Obligations (as defined in the Credit Agreement); and

WHEREAS, this Trademark Agreement is supplemental to the provisions contained in the Security Agreement;

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

1. DEFINITIONS.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided therefor in the Credit Agreement and, if not defined therein, the Security Agreement. In addition, the following terms shall have the meanings set forth in this §1 or elsewhere in this Trademark Agreement referred to below:

Assignment of Marks. See §2.1.

Associated Goodwill. All goodwill of the Assignor and its business, products and services appurtenant to, associated with or symbolized by the Trademarks and the use thereof.

Pledged Trademarks. All of the Assignor's right, title and interest in and to all of the Trademarks, the Trademark Registrations, the Trademark License Rights, the Trademark Rights, the Associated Goodwill, the Related Assets, and all accessions to, substitutions for, replacements of, and all products and proceeds of any and all of the foregoing.

PTO. The United States Patent and Trademark Office.

Related Assets. All assets, rights and interests of the Assignor that uniquely reflect or embody the Associated Goodwill, including the following:

(a) all patents, inventions, copyrights, trade secrets, confidential information, formulae, methods or processes, compounds, recipes, know-how, methods and operating systems, drawings, descriptions, formulations, manufacturing and production and delivery procedures, quality control procedures, product and service specifications, catalogs, price lists, and advertising materials, relating to the manufacture, production, delivery, provision and sale of goods or services under or in association with any of the Trademarks; and

(b) the following documents and things in the possession or under the control of the Assignor, or subject to its demand for possession or control, related to the production, delivery, provision and sale by the Assignor, or any affiliate, franchisee, licensee or contractor, of products or services sold by or under the authority of the Assignor in connection with the Trademarks or Trademark Rights, whether prior to, on or subsequent to the date hereof:

(i) all lists, contracts, ancillary documents and other information that identify, describe or provide information with respect to any customers, dealers or distributors of the Assignor, its affiliates or franchisees or licensees or contractors, for products or services sold under or in connection with the Trademarks or Trademark Rights,

including all lists and documents containing information regarding each customer's, dealer's or distributor's name and address, credit, payment, discount, delivery and other sale terms, and history, pattern and total of purchases by brand, product, style, size and quantity;

(ii) all agreements (including franchise agreements), product and service specification documents and operating, production and quality control manuals relating to or used in the design, manufacture, production, delivery, provision and sale of products or services under or in connection with the Trademarks or Trademark Rights;

(iii) all documents and agreements relating to the identity and locations of all sources of supply, all terms of purchase and delivery, for all materials, components, raw materials and other supplies and services used in the manufacture, production, provision, delivery and sale of products or services under or in connection with the Trademarks or Trademark Rights; and

(iv) all agreements and documents constituting or concerning the present or future, current or proposed advertising and promotion by the Assignor (or any of its affiliates, franchisees, licensees or contractors) of products or services sold under or in connection with the Trademarks or Trademark Rights.

Trademark Agreement. This Trademark Collateral Security and Pledge Agreement, as amended and in effect from time to time.

Trademark License Rights. Any and all past, present or future rights and interests of the Assignor pursuant to any and all past, present and future franchising or licensing agreements in favor of the Assignor, or to which the Assignor is a party, pertaining to any Trademarks, Trademark Registrations, or Trademark Rights owned or used by third parties in the past, present or future, including the right (but not the obligation) in the name of the Assignor or, during the continuance of an Event of Default, the Agent to enforce, and sue and recover for, any breach or violation of any such agreement to which the Assignor is a party.

Trademark Registrations. All past, present or future federal, state, local and foreign registrations of the Trademarks, all past, present and future applications for any such registrations (and any such registrations thereof upon approval of such applications), together with the right (but not the obligation) to apply for such registrations (and prosecute such applications) in the name of the Assignor or, during the continuance of an Event of Default, the Agent, and to take any and all actions necessary or appropriate to maintain such registrations in effect and renew and extend such registrations.

Trademark Rights. Any and all past, present or future rights in, to and associated with the Trademarks throughout the world, whether arising under federal law, state law, common law, foreign law or otherwise, including the following: all such rights arising out of or associated with the Trademark Registrations; the right (but not the obligation) to register claims under any state, federal or foreign trademark law or regulation; the right (but not the obligation) to sue or bring opposition or cancellation proceedings in the name of the Assignor or, during the continuance of an Event of Default, the Agent for any and all past, present and future infringements or dilution of or any other damages or injury to the Trademarks, the Trademark Rights, or the Associated Goodwill, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, dilution, damage or injury; and the Trademark License Rights.

Trademarks. All of the trademarks, service marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, elements of package or trade dress, and other source and product or service identifiers, used or associated with or appurtenant to the products, services and businesses of the Assignor, that (i) are set forth on Schedule A hereto, or (ii) have been adopted, acquired, owned, held or used by the Assignor or are now owned, held or used by the Assignor, in the Assignor's business, or with the Assignor's products and services, or in which the Assignor has any right, title or interest, or (iii) are in the future adopted, acquired, owned, held and used by the Assignor in the Assignor's business or with the Assignor's products and services, or in which the Assignor in the future acquires any right, title or interest.

Use. With respect to any Trademark, all uses of such Trademark by, for or in connection with the Assignor or its business or for the direct or indirect benefit of the Assignor or its business, including all such uses by the Assignor itself, by any of the affiliates of the Assignor, or by any franchisee, licensee or contractor of the Assignor.

Unless otherwise provided herein, the rules of interpretation set forth in §1.2 of the Credit Agreement shall be applicable to this Trademark Agreement.

2. GRANT OF SECURITY INTEREST.

2.1. Security Interest; Assignment of Marks. As collateral security for the payment and performance in full of all of the Obligations, the Assignor hereby unconditionally grants to the Agent a continuing security interest in and first priority lien on the Pledged Trademarks, and pledges and mortgages (but does not transfer title to) the Pledged Trademarks to the Agent. In addition, the Assignor has executed in blank and delivered to the Agent an assignment of federally registered trademarks in substantially the form of Exhibit 1 hereto (the "Assignment of Marks"). The Assignor hereby authorizes the Agent to complete as

assignee and record with the PTO the Assignment of Marks upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Agent's remedies under this Trademark Agreement and the Security Agreement.

2.2. Conditional Assignment. In addition to, and not by way of limitation of, the grant, pledge and mortgage of the Pledged Trademarks provided in §2.1, the Assignor grants, assigns, transfers, conveys and sets over to the Agent the Assignor's entire right, title and interest in and to the Pledged Trademarks; provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only (i) upon or after the occurrence and during the continuance of an Event of Default and (ii) either (A) upon the written demand of the Agent at any time during such continuance or (B) immediately and automatically (without notice or action of any kind by the Agent) upon an Event of Default for which acceleration of the Loans is automatic under the Credit Agreement or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Security Agreement and applicable law (including the transfer or other disposition of the Collateral by the Assignor to the Agent or its nominee in lieu of foreclosure).

2.3. Supplemental to Security Agreement. Pursuant to the Security Agreement the Assignor has granted to the Agent a continuing security interest in and lien on the Collateral (including the Pledged Trademarks). The Security Agreement, and all rights and interests of the Agent in and to the Collateral (including the Pledged Trademarks) thereunder, are hereby ratified and confirmed in all respects. In no event shall this Trademark Agreement, the grant, assignment, transfer and conveyance of the Pledged Trademarks hereunder, or the recordation of this Trademark Agreement (or any document hereunder) with the PTO, adversely affect or impair, in any way or to any extent, the Security Agreement, the security interest of the Agent in the Collateral (including the Pledged Trademarks) pursuant to the Security Agreement and this Trademark Agreement, the attachment and perfection of such security interest under the Uniform Commercial Code (including the security interest in the Pledged Marks), or any present or future rights and interests of the Agent in and to the Collateral under or in connection with the Security Agreement, this Trademark Agreement or the Uniform Commercial Code. Any and all rights and interests of the Agent in and to the Pledged Trademarks (and any and all obligations of the Assignor with respect to the Pledged Trademarks) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Agent (and the obligations of the Assignor) in, to or with respect to the Collateral (including the Pledged Trademarks) provided in or arising under or in connection with the Security Agreement and shall not be in derogation thereof.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS.

The Assignor represents, warrants and covenants that: (i) Schedule A sets forth a true and complete list of all Trademarks and Trademark Registrations that

are either registered in the name of the Assignor or for which the Assignor has made applications for registration thereof; (ii) the Trademarks and Trademark Registrations are subsisting and to the best of the knowledge of the Assignor have not been adjudged invalid or unenforceable, in whole or in part, and to the best of the knowledge of the Assignor there is no litigation or proceeding pending concerning the validity or enforceability of the Trademarks or Trademark Registrations; (iii) to the best of the Assignor's knowledge, each of the Trademarks and Trademark Registrations is valid and enforceable; (iv) to the best of the Assignor's knowledge, there is no infringement by others of the Trademarks, Trademark Registrations or Trademark Rights; (v) no claim has been made that the use of any of the Trademarks does or may violate the rights of any third person, and to the best of the Assignor's knowledge, there is no infringement by the Assignor of the trademark rights of others which could reasonably be expected to have a material adverse effect on the business, financial condition or assets of the Borrower and its Subsidiaries, taken as a whole; (vi) the Assignor is the registered owner of the entire and unencumbered right, title and interest in and to each of the Trademarks (other than ownership and other rights reserved by third party owners with respect to Trademarks that the Assignor is licensed to use), free and clear of any liens, charges, encumbrances and adverse claims, including pledges, assignments, licenses, registered user agreements and covenants by the Assignor not to sue third persons, other than the security interest and assignment created by the Security Agreement and this Trademark Agreement and other than Permitted Liens under the Credit Agreement; (vii) the Assignor has the corporate power and right to enter into this Trademark Agreement and to perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents, consultants, licensors and licensees that will enable them to comply with the covenants herein contained; (viii) the Assignor has used, and will continue to use, proper statutory and other appropriate proprietary notices in connection with its use of the Trademarks, except to the extent the failure to do so could reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries, taken as a whole; (ix) the Assignor has used, and will continue to use for the duration of this Trademark Agreement, consistent standards of quality in its manufacture and provision of products and services sold or provided under the Trademarks, except to the extent the failure to do so could reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries, taken as a whole; (x) this Trademark Agreement, together with the Security Agreement, will create in favor of the Agent a valid and perfected first priority security interest in the Pledged Trademarks upon making the filings referred to in clause (xi) of this §3; and (xi) except for the filing of financing statements with the Secretary of State of the Commonwealth of Massachusetts under the Uniform Commercial Code, the filing of certain releases of security agreements with the PTO and the recording of this Trademark Agreement with the PTO, no authorization, approval or other action by, and no notice to or filing with,

any governmental or regulatory authority, agency or office is required either (A) for the grant by the Assignor or the effectiveness of the security interest and assignment granted hereby or for the execution, delivery and performance of this Trademark Agreement by the Assignor, or (B) for the perfection of or the exercise by the Agent of any of its rights and remedies hereunder.

4. INSPECTION RIGHTS.

The Assignor hereby grants to the Agent and its employees and agents the right to visit the Assignor's plants and facilities that manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto during regular business hours upon reasonable notice to the Assignor and otherwise in accordance with §9.9.1 of the Credit Agreement.

5. NO TRANSFER OR INCONSISTENT AGREEMENTS.

Without the Agent's prior written consent and except for licenses of the Pledged Trademarks in the ordinary course of the Assignor's business consistent with its past practices, the Assignor will not (i) mortgage, pledge, assign, encumber, grant a security interest in, transfer, license or alienate any of the Pledged Trademarks, or (ii) enter into any agreement (for example, a license agreement) that is inconsistent with the Assignor's obligations under this Trademark Agreement or the Security Agreement.

6. AFTER-ACQUIRED TRADEMARKS, ETC.

6.1. After-acquired Trademarks. If, before the Obligations shall have been finally paid and satisfied in full, the Assignor shall obtain any right, title or interest in or to any other or new Trademarks, Trademark Registrations or Trademark Rights, the provisions of this Trademark Agreement shall automatically apply thereto and the Assignor shall promptly provide to the Agent notice thereof in writing and execute and deliver to the Agent such documents or instruments as the Agent may reasonably request further to implement, preserve or evidence the Agent's security interest therein.

6.2. Amendment to Schedule. The Assignor authorizes the Agent to modify this Trademark Agreement and the Assignment of Marks, without the necessity of the Assignor's further approval or signature, by amending Exhibit A hereto and the Annex to the Assignment of Marks to include any future or other Trademarks, Trademark Registrations or Trademark Rights under §2 or §6.

7. TRADEMARK PROSECUTION.

7.1. Assignor Responsible. The Assignor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or

reasonably desirable actions in connection with the Pledged Trademarks, and shall hold the Agent harmless from any and all costs, damages, liabilities and expenses that may be incurred by the Agent in connection with the Agent's security interest in the Pledged Trademarks or any other action or failure to act in connection with this Trademark Agreement or the transactions contemplated hereby, other than as a result of the Agent's gross negligence or willful misconduct. In respect of such responsibility, the Assignor shall retain trademark counsel acceptable to the Agent, it being agreed that Jones, Day, Reavis & Pogue is trademark counsel acceptable to the Agent.

7.2. Assignor's Duties, Etc. The Assignor shall have the right and the duty, through trademark counsel reasonably acceptable to the Agent, to prosecute diligently any trademark registration applications of the Trademarks pending as of the date of this Trademark Agreement or thereafter, to preserve and maintain all rights in the Trademarks and Trademark Registrations, including the filing of appropriate renewal applications and other instruments to maintain in effect the Trademark Registrations and the payment when due of all registration renewal fees and other fees, taxes and other expenses that shall be incurred or that shall accrue with respect to any of the Trademarks or Trademark Registrations, except where the failure to do so could not reasonably be expected to have a material adverse effect on the business, assets or financial conditions of the Borrower and its Subsidiaries, taken as a whole. Any expenses incurred in connection with such applications and actions shall be borne by the Assignor. The Assignor shall not abandon any filed trademark registration application, or any Trademark Registration or Trademark, without the consent of the Agent, which consent shall not be unreasonably withheld, unless such abandonment could not reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries, taken as a whole.

7.3. Assignor's Enforcement Rights. The Assignor shall have the right and the duty to bring suit or other action in the Assignor's own name to maintain and enforce the Trademarks, the Trademark Registrations and the Trademark Rights. The Assignor may require the Agent to join in such suit or action as necessary to assure the Assignor's ability to bring and maintain any such suit or action in any proper forum if (but only if) the Agent is completely satisfied that such joinder will not subject the Agent to any risk of liability. The Assignor shall promptly, upon demand, reimburse and indemnify the Agent for all damages, costs and expenses, including reasonable legal fees, incurred by the Agent pursuant to this §7.3.

7.4. Protection of Trademarks, Etc. In general, the Assignor shall take any and all such actions (including institution and maintenance of suits, proceedings or actions) as may be necessary or appropriate to properly maintain, protect, preserve, care for and enforce the Pledged Trademarks, except where the failure to do so could not reasonably be expected to have a material adverse effect

on the business, assets or financial condition of the Borrower and its Subsidiaries, taken as a whole. The Assignor shall not take or fail to take any action, nor permit any action to be taken or not taken by others under its control, that would adversely affect the validity, grant or enforcement of the Pledged Trademarks, except where the failure to do so could not reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries, taken as a whole.

7.5. Notification by Assignor. Promptly upon obtaining knowledge thereof, the Assignor will notify the Agent in writing of the institution of, or any final adverse determination in, any proceeding in the PTO or any similar office or agency of the United States or any foreign country, or any court, regarding the validity of any of the Trademarks or Trademark Registrations or the Assignor's rights, title or interests in and to the Pledged Trademarks, and of any event that does or reasonably could materially adversely affect the value of any of the Pledged Trademarks, the ability of the Assignor or the Agent to dispose of any of the Pledged Trademarks or the rights and remedies of the Agent in relation thereto (including but not limited to the levy of any legal process against any of the Pledged Trademarks).

8. REMEDIES.

Upon the occurrence and during the continuance of an Event of Default, the Agent shall have, in addition to all other rights and remedies given it by this Trademark Agreement (including, without limitation, those set forth in §2.2), the Credit Agreement, the Security Agreement and the other Loan Documents, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the Commonwealth of Massachusetts, and, without limiting the generality of the foregoing, the Agent may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to the Assignor, all of which are hereby expressly waived, sell or license at public or private sale or otherwise realize upon the whole or from time to time any part of the Pledged Trademarks, or any interest that the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Pledged Trademarks all expenses incurred by the Agent in attempting to enforce this Trademark Agreement (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations as set forth in or by reference in the Security Agreement. Notice of any sale, license or other disposition of the Pledged Trademarks shall be given to the Assignor at least ten (10) Business Days before the time that any intended public sale or other public disposition of the Pledged Trademarks is to be made or after which any private sale or other private disposition of the Pledged Trademarks may be made, which the Assignor hereby agrees shall be reasonable notice of such public or private sale or other disposition. At any such sale or other disposition, the Agent may, to the extent permitted under

applicable law, purchase or license the whole or any part of the Pledged Trademarks or interests therein sold, licensed or otherwise disposed of.

9. COLLATERAL PROTECTION.

If the Assignor shall fail to do any act that it has covenanted to do hereunder, or if any representation or warranty of the Assignor shall be breached, the Agent, in its own name or that of the Assignor (in the sole discretion of the Agent), may (but shall not be obligated to) do such act or remedy such breach (or cause such act to be done or such breach to be remedied), and the Assignor agrees promptly to reimburse the Agent for any cost or expense incurred by the Agent in so doing.

10. POWER OF ATTORNEY.

If any Event of Default shall have occurred and be continuing, the Assignor does hereby make, constitute and appoint the Agent (and any officer or agent of the Agent as the Agent may select in its exclusive discretion) as the Assignor's true and lawful attorney-in-fact, with full power of substitution and with the power to endorse the Assignor's name on all applications, documents, papers and instruments necessary for the Agent to use the Pledged Trademarks, or to grant or issue any exclusive or nonexclusive license of any of the Pledged Trademarks to any third person, or to take any and all actions necessary for the Agent to assign, pledge, convey or otherwise transfer title in or dispose of any of the Pledged Trademarks or any interest of the Assignor therein to any third person, and, in general, to execute and deliver any instruments or documents and do all other acts that the Assignor is obligated to execute and do hereunder. The Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and releases the Agent from any claims, liabilities, causes of action or demands arising out of or in connection with any action taken or omitted to be taken by the Agent under this power of attorney (except for the Agent's gross negligence or willful misconduct). This power of attorney is coupled with an interest and shall be irrevocable for the duration of this Trademark Agreement.

11. FURTHER ASSURANCES.

The Assignor shall, at any time and from time to time, and at its expense, make, execute, acknowledge and deliver, and file and record as necessary or reasonably appropriate with governmental or regulatory authorities, agencies or offices, such agreements, assignments, documents and instruments, and do such other and further acts and things (including, without limitation, obtaining consents of third parties), as the Agent may reasonably request or as may be necessary or reasonably appropriate in order to implement and effect fully the intentions, purposes and provisions of this Trademark Agreement, or to assure and confirm to the Agent the grant, perfection and priority of the Agent's security interest in the Pledged Trademarks.

12. TERMINATION.

At such time as all of the Obligations have been finally paid and satisfied in full, this Trademark Agreement shall terminate and the Agent shall upon the request and at the expense of the Assignor, execute and deliver to the Assignor all deeds, assignments and other instruments as may be necessary or proper to terminate this Trademark Agreement and release the Pledged Trademarks from the security interest of the Agent therein, subject to any disposition of all or any part thereof that may have been made by the Agent pursuant hereto or the Security Agreement.

13. COURSE OF DEALING.

No course of dealing between the Assignor and the Agent, nor any failure to exercise, nor any delay in exercising, on the part of the Agent, any right, power or privilege hereunder or under the Security Agreement or any other agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. EXPENSES.

Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and expenses incurred by the Agent in connection with the preparation of this Trademark Agreement and all other documents relating hereto, the consummation of the transactions contemplated hereby or the enforcement hereof, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance or renewal fees, encumbrances, or otherwise protecting, maintaining or preserving the Pledged Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Pledged Trademarks, shall be borne and paid by the Assignor, as set forth in the Credit Agreement.

15. OVERDUE AMOUNTS.

Until paid, all amounts due and payable by the Assignor hereunder shall be a debt secured by the Pledged Trademarks and the other Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in §6.11 of the Credit Agreement.

16. NO ASSUMPTION OF LIABILITY; INDEMNIFICATION.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE AGENT ASSUMES NO LIABILITIES OF THE ASSIGNOR WITH RESPECT TO ANY CLAIM OR CLAIMS REGARDING THE ASSIGNOR'S OWNERSHIP OR PURPORTED OWNERSHIP OF, OR

RIGHTS OR PURPORTED RIGHTS ARISING FROM, ANY OF THE PLEDGED TRADEMARKS OR ANY USE, LICENSE OR SUBLICENSE THEREOF, WHETHER ARISING OUT OF ANY PAST, CURRENT OR FUTURE EVENT, CIRCUMSTANCE, ACT OR OMISSION OR OTHERWISE, EXCEPT AS MAY ARISE DIRECTLY FROM THE AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. ALL OF SUCH LIABILITIES SHALL BE EXCLUSIVELY THE RESPONSIBILITY OF THE ASSIGNOR, AND THE ASSIGNOR SHALL INDEMNIFY THE AGENT FOR ANY AND ALL COSTS, EXPENSES, DAMAGES AND CLAIMS, INCLUDING REASONABLE LEGAL FEES, INCURRED BY THE AGENT WITH RESPECT TO SUCH LIABILITIES.

17. NOTICES.

All notices and other communications made or required to be given pursuant to this Trademark Agreement shall be in writing and shall be delivered in hand, mailed by United States registered or certified first-class mail, postage prepaid, sent by overnight courier, or sent by telecopy and confirmed by delivery via courier or postal service, addressed as follows:

(a) if to the Assignor, in the manner set forth in the Guaranty; and

(b) if to the Agent, in the manner set forth in §21 of the Credit Agreement.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand to a responsible officer of the party to which it is directed or by overnight courier to such officer, at the time of the receipt thereof by such officer, (ii) if sent by registered or certified first-class mail, postage prepaid, three (3) Business Days after the posting thereof, and (iii) if sent by telecopy at the time of the dispatch thereof, if in normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day.

18. AMENDMENT AND WAIVER.

This Trademark Agreement is subject to modification only by a writing signed by the Agent and the Assignor, except as provided in §6.2. The Agent shall not be deemed to have waived any right hereunder unless such waiver shall be in writing and signed by the Agent. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

19. GOVERNING LAW; CONSENT TO JURISDICTION.

THIS TRADEMARK AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND

CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OR CHOICE OF LAWS). The Assignor agrees that any suit for the enforcement of this Trademark Agreement may be brought in the courts of the Commonwealth of Massachusetts or any federal court sitting therein and consents to the nonexclusive jurisdiction of such court and to service of process in any such suit being made upon the Assignor by mail at the address referred to in §17. The Assignor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

20. WAIVER OF JURY TRIAL.

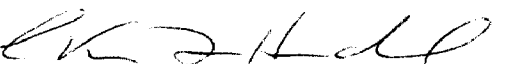
EACH OF THE ASSIGNOR AND THE AGENT WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS TRADEMARK AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, the Assignor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. The Assignor (i) certifies that neither the Agent nor any representative, agent or attorney of the Agent has represented, expressly or otherwise, that the Agent would not, in the event of litigation, seek to enforce the foregoing waivers, and (ii) acknowledges that, in entering into the Credit Agreement and the other Loan Documents to which the Agent is a party, the Agent is relying upon, among other things, the waivers and certifications contained in this §20.

21. MISCELLANEOUS.

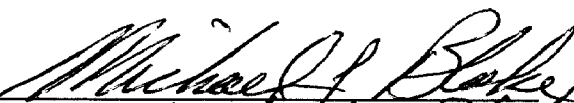
The headings of each section of this Trademark Agreement are for convenience only and shall not define or limit the provisions thereof. This Trademark Agreement and all rights and obligations hereunder shall be binding upon the Assignor and its respective successors and assigns, and shall inure to the benefit of the Agent and its successors and assigns. In the event of any irreconcilable conflict between the provisions of this Trademark Agreement and the Credit Agreement, or between this Trademark Agreement and the Security Agreement, the provisions of the Credit Agreement or the Security Agreement, as the case may be, shall control. If any term of this Trademark Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Trademark Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Assignor acknowledges receipt of a copy of this Trademark Agreement.

IN WITNESS WHEREOF, this Trademark Agreement has been executed as of the day and year first above written.

INVENTORY LOCATOR SERVICE, INC.

By: 
Name: C. Van Den Handel
Title: VP & Treasurer

BANKBOSTON, N.A., as Agent

By: 
Name: Michael J. Blake
Title: Director

CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OF Massachusetts)
COUNTY OF Suffolk) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 23rd day of December, 1999, personally appeared C. Van Den Handel to me known personally, and who, being by me duly sworn, deposes and says that he is the Vice President of Inventory Locator Service, Inc., and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Inventory Locator Service, Inc. acknowledged said instrument to be the free act and deed of said corporation.

Rosemary B. Suwa
Notary Public

My commission expires:

My Commission Expires February 22, 2002

SCHEDULE A

Intellectual Property

INVENTORY LOCATOR SERVICE, INC.
Trademark Applications and Registrations
Owned by Inventory Locator Service, Inc.

TRADEMARK	COUNTRY	INT'L CLASS	APPLICATION NO.	FILING DATE	REGISTRATION NO.	ISSUE DATE	STATUS
ILS & DESIGN	AUSTRALIA	42	577158	04/27/92	A577158	12/23/93	04/27/99 RENEWAL
ILS & DESIGN	AUSTRALIA	42	632469	06/17/94	632469	06/19/96	06/17/04 RENEWAL
ILS & DESIGN	AUSTRALIA	35	678790	11/22/95	A678790	03/18/97	06/17/04 RENEWAL
ILS & DESIGN	BENELUX	42	828979	06/16/94	554565	04/03/95	06/16/04 RENEWAL
ILS & DESIGN	CANADA	42	602767	03/15/88	350552	01/27/89	01/27/04 RENEWAL
ILS & DESIGN	CANADA	42	757579	06/15/94	449133	10/02/95	10/20/10 RENEWAL
ILS & DESIGN	CYPRUS	42	40505	06/23/94			PENDING
ILS & DESIGN	DENMARK	42	VA 04.472.1994	06/27/94	VR 06.882.1994	10/14/94	10/14/04 RENEWAL
ILS & DESIGN	FRANCE	42	94525827	06/22/94	94525827	06/22/94	06/21/04 RENEWAL
ILS & DESIGN	FRANCE	42	92430650	08/13/92	92430650	08/13/92	08/13/02 RENEWAL
ILS & DESIGN	GERMANY	42	J 31 026/42 WZ	06/15/94	2090675	01/31/95	06/15/04 RENEWAL
ILS & DESIGN	GERMANY	42	J 28 208/42 WZ	07/13/92	2 042 633	08/18/93	07/13/02 RENEWAL
ILS & DESIGN	GREAT BRITAIN	42	1338746	03/17/88	1338746	07/06/90	03/17/95 RENEWAL
ILS & DESIGN	GREAT BRITAIN	42	1575912	06/16/94	1575912	12/16/94	12/16/00 RENEWAL
ILS & DESIGN	GREECE	42	119764	06/29/94	119764	06/29/94	06/29/04 RENEWAL
ILS & DESIGN	GREECE	42	111617	10/26/92	111617	09/18/92	11/26/02 RENEWAL
ILS & DESIGN	HONG KONG	42	92/11647	05/26/92	2159/94	04/13/94	05/26/99 RENEWAL
ILS & DESIGN	HONG KONG	42	94 06721	06/20/94	7784/1998	08/04/98	12/29/00 RENEWAL

TRADEMARK

TRADEMARK	COUNTRY	INT'L CLASS	APPLICATION NO.	FILING DATE	REGISTRATION NO.	ISSUE DATE	STATUS
ILS & DESIGN	JAPAN	42	63330/1994	06/24/94	4175063	08/07/98	08/07/08 RENEWAL
ILS & DESIGN	MEXICO	42	202982	06/23/94	510540	11/27/95	06/23/04 RENEWAL
ILS & DESIGN	NEW ZEALAND	42	238043	06/17/94	238043	10/02/96	
ILS & DESIGN	NORWAY	42	943629	06/29/94	168587	06/22/95	RENEWAL 06/22/05
ILS & DESIGN	SINGAPORE	42	5109/94	06/21/94	5109/94	12/29/93	RENEWAL 12/29/03
ILS & DESIGN	SOUTH KOREA	42	94-4859	06/17/94	30576	02/13/96	02/13/05 RENEWAL
ILS & DESIGN	TAIWAN	11	83042592	06/24/94	75485	05/16/95	RENEWAL 04/16/05
ILS & DESIGN	TAIWAN	1	83042591	06/24/94	74450	03/16/95	02/15/05 RENEWAL
ILS & DESIGN	USA	42	74 044124	03/30/90	1662047	10/22/91	10/22/01 RENEWAL
ILS & DESIGN	USA	42	605035	06/19/86	1428877	02/10/87	02/10/07 RENEWAL
ILS & DESIGN	USA	42	74/475996	12/29/93			PENDING
INVENTORY LOCATOR SERVICE, INC.	USA		74/043958	03/30/90	1683333	04/14/92	04/14/02 RENEWAL

Inventory Locator Service, Inc. ("ILS") grants a non-exclusive license to clients for use of their proprietary software for the sole purpose of providing the clients access to the ILS data base; ILS claims all copyright and all rights to distribution and sale of the software.

EXHIBIT 1

ASSIGNMENT OF TRADEMARKS AND SERVICE MARKS (U.S.)

WHEREAS, Inventory Locator Service, Inc., a corporation organized and existing under the laws of the state of Tennessee, having a place of business at 3965 Mendenhall Road, Suite 10, Memphis, Tennessee 38115 (the "Assignor"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on the Annex hereto, and is the registered owner of the registrations of and pending registration applications for such Marks in the United States Patent and Trademark Office identified on such Annex; and

WHEREAS, _____, a _____
(the "Assignee"), is desirous of acquiring the Marks and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Marks, together with (i) the registrations of and registration applications for the Marks, (ii) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (iii) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill.

This Assignment of Trademarks and Service Marks (U.S.) is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Trademarks and Service Marks (U.S.) below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this ____ day of December, 1999.

Inventory Locator Service, Inc.

By: _____
Name:
Title:

The foregoing assignment of the Marks and the registrations thereof and registration applications therefor by the Assignor to the Assignee is hereby accepted as of the ____ day of _____, ____.

By: _____
Name:
Title:

COMMONWEALTH OF _____)
_____) ss.
COUNTY OF _____)

On this the ____ day of December, 1999, before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of Inventory Locator Service, Inc. and that being duly authorized (s)he signed such instrument as a free act on behalf of _____.

Notary Public

My commission expires:

ANNEX

Trademark
or
Service Mark

Registrations --
United States Patent and Trademark Office
Registration No. Registration Date

Trademark
or
Service Mark

Pending Applications --
United States Patent and Trademark Office
Serial No. Filing Date