

11-15-2000

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*10-10-00* RE



TO: The Commissioner of Patents and Tra

nal document(s) or copy(ies).

Submission Type

101519678  
Conveyance type

- New
- Resubmission (Non-Recordation)  
Document ID#
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #
- Assignment
- Security Agreement
- Merger
- Change of Name
- Other
- License
- Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name THE PEP BOYS MANNY MOE & JACK OF CALIFORNIA

Execution Date  
Month Day Year  
9 22 2000

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of conveying parties attached

Name Congress Financial Corporation

DBA/AKA/TA

Composed of

Address (line 1) 1133 Avenue of the Americas

Address (line 2)

Address (line 3)     
City State/Country Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment)

FOR OFFICE USE ONLY

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

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

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

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

#

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

Mark if additional numbers attached

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

Trademark Application Number(s)  
SEE ATTACHED EXHIBIT A

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Registration Number(s)  
SEE ATTACHED EXHIBIT A

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Number of Properties**

Enter the total number of properties involved.

**Fee Amount**

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

Method of Payment:

Enclosed  Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account)

Deposit Account Number: #

#

Authorization to charge additional fees:

Yes  No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Helen M. Linehan

*Helen M. Linehan*  
Signature

10/6/00  
Date

Name of Person Signing

EXHIBIT A  
TO  
RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

Trademark Application Numbers

75/640,126  
75/132,756  
75/744,033  
75/827,906  
75/543,039  
75/827,904  
75/827,903  
75/827,901  
75/827,905  
75/504,397  
75/811,118  
75/582,822  
75/150,778  
75/742,664  
75/742,665  
75/742,666  
75/742,670  
75/739,948

Trademark Registration Numbers

1,472,747  
1,288,346  
1,562,598  
310,199  
1,395,353  
1,562,599  
1,699,427  
1,883,212  
2,036,750  
2,026,793  
2,226,116  
2,228,755  
2,001,610  
1,997,613  
2,039,686  
2,028,139  
2,096,721  
2,168,933  
1,420,631

Trademark Registration Numbers

1,562,597  
1,665,248  
2,120,813  
2,130,799  
811,356  
778,767  
848,659  
878,643  
503,440  
705,586  
1,582,462  
1,788,816  
269,398  
2,237,133  
1,756,007  
1,918,786  
1,849,779  
1,835,366  
1,898,072  
1,762,699  
1,160,742  
2,059,747  
2,121,550  
1,796,948  
1,891,550  
2,014,042  
1,995,918  
1,994,367  
2,179,083  
1,725,416  
746,513  
1,363,854  
1,392,286  
2,139,737  
734,049  
1,926,808  
1,901,090  
1,872,828  
1,360,746  
2,062,002  
2,276,244  
2,139,820  
2,100,239  
2,178,316  
2,235,015  
2,241,760  
2,311,406

## TRADEMARK SECURITY AGREEMENT

THIS AGREEMENT ("Agreement"), dated September 22, 2000, is by and between THE PEP BOYS MANNY MOE & JACK OF CALIFORNIA, a California corporation ("Debtor"), with its chief executive office at 3111 West Allegheny Avenue, Philadelphia, Pennsylvania 19132, and CONGRESS FINANCIAL CORPORATION, a Delaware corporation ("Secured Party"), having an office at 1133 Avenue of the Americas, New York, New York 10036.

### W I T N E S S E T H :

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the trademarks, service marks, trade names, terms, designs and applications and registrations therefor described in Exhibit A hereto and made a part hereof; and

WHEREAS, Secured Party and Debtor have entered or are about to enter into financing arrangements pursuant to which Secured Party may make loans and advances and provide other financial accommodations to Debtor as set forth in the Loan and Security Agreement, dated September 22, 2000, by and between Secured Party and Debtor, The Pep Boys - Manny, Moe & Jack, Pep Boys - Manny, Moe & Jack of Delaware, Inc. and Pep Boys - Manny, Moe & Jack of Puerto Rico, Inc. (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Secured Party to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Debtor pursuant thereto, Debtor has agreed to grant to Secured Party certain collateral security as set forth herein;

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

#### 1. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Debtor hereby grants to Secured Party a continuing security interest in and a general lien upon the following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: (i) all of Debtor's trademarks, tradenames, trade styles and service marks and all applications, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country, including, without limitation, the trademarks, terms, designs and applications described in Exhibit A hereto, together with all rights and privileges arising under

and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country, including, without limitation, the trademarks, terms, designs and applications described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any trademarks, tradenames, trade styles and service marks, and all reissues, extensions, continuation and renewals thereof (all of the foregoing being collectively referred to herein as the "Trademarks"); and (ii) all prints and labels on which such trademarks, tradenames, tradestyles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; (c) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (d) the right to sue for past, present and future infringements thereof; (e) all rights corresponding thereto throughout the world; and (f) any and all other proceeds of any of the foregoing, including, without limitation, damages and payments or claims by Debtor against third parties for past or future infringement of the Trademarks.

## 2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Secured Party pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Debtor to Secured Party and/or its affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under this Agreement, the Loan Agreement or the other Financing Agreements, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to Debtor under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Secured Party (all of the foregoing being collectively referred to herein as the "Obligations").

## 3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor hereby represents, warrants and covenants with and to Secured Party the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) Debtor shall pay and perform all of the Obligations according to their terms.

(b) All of the existing Collateral is valid and subsisting in full force and effect, and Debtor owns the sole, full and clear title thereto, and the right and power to grant the security interest granted hereunder. Debtor shall, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral consisting of registered Trademarks as registered trademarks and to maintain the existence of all of the Collateral as valid and subsisting, including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except:

(i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the security interests permitted under the Loan Agreement, and (iii) the licenses permitted under Section 3(e) below.

(c) Debtor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Secured Party, except as otherwise permitted herein or in the Loan Agreement provided, that, Debtor may grant non-exclusive licenses in the ordinary course of its business which do not impair or adversely affect Secured Party's rights in and to the Collateral or otherwise under this Agreement or the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action, except as such action is expressly permitted hereunder.

(d) Debtor shall, at Debtor's expense, promptly perform all acts and execute all documents requested at any time by Secured Party to evidence, perfect, maintain, record or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by Secured Party or as otherwise determined by Secured Party. Debtor further authorizes Secured Party to have this Agreement or any other similar security agreement filed with the Commissioner of Patents and Trademarks or any other appropriate federal, state or government office.

(e) As of the date hereof, Debtor does not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof or any political subdivision thereof, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(f) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise at any time an Event of Default exists or has occurred and is continuing of the rights and remedies granted to Secured Party hereunder.

(g) Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the security interest granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, attorneys' fees and legal expenses. Debtor shall be liable to Secured Party for any such payment, which payment shall be deemed an advance by Secured Party to Debtor, shall be payable on demand together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(h) Debtor shall not file any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States, unless Debtor has given Secured Party prior written notice of such action. If, after the date hereof, Debtor shall (i) obtain any registered trademark or tradename, or apply for any such registration in the United States Patent and Trademark Office or in any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any trademark

registrations or applications for trademark registration used in the United States or any State thereof, political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Secured Party, Debtor shall promptly execute and deliver to Secured Party any and all agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence the security interest in favor of Secured Party.

(i) Debtor has not abandoned any of the Trademarks and Debtor will not do any act, nor omit to do any act, whereby the Trademarks may become abandoned, invalidated, unenforceable, avoided, or avoidable. Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording with respect to the Trademarks may become abandoned, canceled, invalidated, avoided, or avoidable.

(j) Debtor shall render any assistance, as Secured Party shall reasonably determine is necessary, to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, to maintain such application and registration of the Trademarks as Debtor's exclusive property and to protect Secured Party's interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(k) No material infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to Secured Party, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Secured Party hereunder. Debtor shall promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design which infringes on any Trademark or is likely to cause confusion with any Trademark. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in Secured Party's discretion, may deem advisable for the protection of Secured Party's interest in and to the Trademarks.

(l) Debtor assumes all responsibility and liability arising from the use of the Trademarks and Debtor hereby indemnifies and holds Secured Party harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof). The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(m) Debtor shall promptly pay Secured Party for any and all expenditures made by Secured Party pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreements and shall be part of the Obligations secured hereby.



#### 4. EVENTS OF DEFAULT

All Obligations shall become immediately due and payable, without notice or demand, at the option of Secured Party, upon the occurrence of any Event of Default, as such term is defined in the Loan Agreement (each an "Event of Default" hereunder).

#### 5. RIGHTS AND REMEDIES

At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Secured Party, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder:

(a) Secured Party may require that neither Debtor nor any affiliate or subsidiary of Debtor make any use of the Trademarks or any marks similar thereto for any purpose whatsoever. Secured Party may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services in connection with enforcing any other security interest granted to Secured Party by Debtor or any subsidiary or affiliate of Debtor or for such other reason as Secured Party may determine.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of intended disposition of Collateral is required by law, the giving of five (5) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms hereof, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and attorneys' fees and legal expenses. Debtor agrees that Secured Party has no obligation to preserve rights to the Trademarks against any other parties.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, attorneys' fees and all legal, travel and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations

as Secured Party may in its discretion determine. Debtor shall remain liable to Secured Party for any of the Obligations remaining unpaid after the application of such proceeds, and Debtor shall pay Secured Party on demand any such unpaid amount, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement.

(f) Debtor shall supply to Secured Party or to Secured Party's designee, Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

#### 6. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York (without giving effect to principles of conflicts of law).

(b) Debtor and Secured Party irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York for New York County and the United States District Court for the Southern District of New York and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected or related or incidental to the dealings of Debtor and Secured Party in respect of this Agreement or the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or thereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party shall have the right to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction which Secured Party deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Debtor or its property).

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's option, by service upon Debtor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Debtor shall appear in answer to such process, failing which Debtor shall be deemed in default and judgment may be entered by Secured Party against Debtor for the amount of the claim and other relief requested.

(d) DEBTOR AND SECURED PARTY EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND SECURED PARTY IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING

AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND SECURED PARTY EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Secured Party shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Secured Party that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Secured Party shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

## 7. MISCELLANEOUS

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor:                   The Pep Boys Manny Moe & Jack of California  
3111 West Allegheny Avenue  
Philadelphia, Pennsylvania 19132  
Attention: President

If to Secured  
Party:                           Congress Financial Corporation  
1133 Avenue of the Americas  
New York, New York 10036  
Attention: Mr. Laurence S. Forte

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor and Secured Party pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 7(e) hereof. All references to the term "Person" or "person" herein shall mean any individual, sole proprietorship, partnership, corporation (including,

without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.


(c) This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns except that Debtor may not assign its rights under this Agreement and any other document referred to herein without the prior written consent of Secured Party.

(d) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(e) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Secured Party, and as to amendments, as also signed by an authorized officer of Debtor. Secured Party shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Secured Party. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Secured Party of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Secured Party would otherwise have on any future occasion, whether similar in kind or otherwise.


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

THE PEP BOYS MANNY MOE & JACK OF  
CALIFORNIA

By: 

Title: CLD

CONGRESS FINANCIAL CORPORATION

By: 

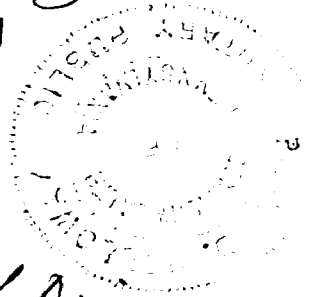
Title: SVP

*Pennsylvania*  
STATE OF ~~NEW YORK~~ )  
*Philadelphia* ) ss.:  
COUNTY OF ~~NEW YORK~~ )

On this 21<sup>st</sup> day of September, 2000, before me personally came Ronald M. Neifield,  
to me known, who being duly sworn, did depose and say, that he is the Chief Legal Officer of THE PEP BOYS  
MANNY MOE & JACK OF CALIFORNIA, the corporation described in and which executed the  
foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said  
corporation.

*Paula D. Holloway*  
\_\_\_\_\_  
Notary Public

Notarial Seal  
Paula D. Holloway, Notary Public  
Philadelphia, Philadelphia County  
My Commission Expires Dec. 1, 2003  
Member, Pennsylvania Association of Notaries



*Pennsylvania*  
STATE OF ~~NEW YORK~~ )  
*Philadelphia* ) ss.:  
COUNTY OF ~~NEW YORK~~ )

On this 21<sup>st</sup> day of September, 2000, before me personally came Kathleen K. Quinn  
to me known, who, being duly sworn, did depose and say, that he is the 5<sup>th</sup> Vice Pres of CONGRESS  
FINANCIAL CORPORATION, the corporation described in and which executed the foregoing  
instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Notarial Seal  
Barbara J. Consalvo, Notary Public  
Philadelphia, Philadelphia County  
My Commission Expires July 6, 2004

*Barbara J. Consalvo*  
\_\_\_\_\_  
Notary Public

**EXHIBIT A  
TO  
TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT**

**LIST OF TRADEMARKS AND TRADEMARK APPLICATIONS**

See the attached list.

<u>OUR FILE</u>	<u>MARK</u>	<u>COUNTRY</u>	<u>CLASS</u>	<u>GOODS</u>	<u>APPRO</u>	<u>APPRO DATE</u>	<u>STATUS</u>
<i>Discontinued</i> T-4510	PEP BOYS	U.S.	1, 3, 9 & 12	Oil additive; transmission fluids, and power steering fluids; hand soap; batteries for land vehicles; fuel pumps, air filters & oil filters	1,472,747	01/19/88	Renewal due 01/19/08
T-4945	PEP BOYS	U.S.	42	Retail store services in the field of automotive accessories	1,288,346	07/31/84	Renewal due 07/31/04
T-10851A	PEP BOYS	U.S.	37	Vehicle servicing, repair and maintenance services and installation of vehicle parts	1,562,598	10/24/89	Renewal due 10/24/09
T-11218	THE PEP BOYS MANNY, MOE & JACK	U.S.	15	High pressure lubricants, motor lubricating oils, transmission and differential lubricants	310,199	02/13/84	Renewal due 02/13/04
T-11219	PEP BOYS DESIGN	U.S.	42	Retail store services in the field of automotive accessories	1,295,333	03/27/86	Renewal due 03/27/06
T-11219A	PEP BOYS DESIGN	U.S.	37	Vehicle servicing, repair and maintenance services and installation of vehicle parts	1,562,599	10/24/89	Renewal due 10/24/09
T-12920	PEP BOYS	U.S.	37, 42	Automotive repair & maintenance services; retail automotive store services	1,699,427	07/07/92	Renewal due 07/07/02
<i>Discontinued</i> T-17011	PEP BOYS with BAN- NER DESIGN	U.S.	1, 3, 9, 12, 37, 42	Fluids and power steering fluids, hand soap cleansers and car wash detergents, oils and lubricants, batteries for land vehicles, vehicle parts, vehicle servicing, repair and maintenance services and installation of vehicle parts, retail automotive store services	1,883,212	3/14/95	\$8 due 3/14/01
T-18051	PEP BOYS	U.S.	6, 8, 9, 14, 16, 18, 21, 24, 25, 28	Metal key rings, metal money clips, tape measures and metal cases therefor, plastic pocket pen knives, metal lighters, watches, correspondence holders, pens, playing cards, pen and pencil sets, tote bags, non-leather duffie bags, golf umbrellas, nylon backpacks, drinking glasses, mugs, koo! pals, thermal sleeve sport bottles, beach towels, caps, visors, sweaters, polo shirts, golf shirts, jackets, pull-overs, outerwear, t-shirts, frisbees, footballs, golf balls, teddy bear	2,026,750	2/11/97	\$8 due 02/11/03
T-18052	PEP BOYS with Banner Design	U.S.	6, 8, 14, 16, 18,	Metal key rings, metal money clips, tape measures and metal cases therefor, plastic pocket pen knives, metal lighters, watches, correspondence holders, pens, playing cards, pen and pencil sets, tote bags, non-leather duffie	2,026,793	12/31/96	\$8 due 12/31/02

21, 25, 28	bags, golf umbrellas, nylon backpacks, drinking glasses, sunglasses, knit pants, thermal sleeve sport booties, beach towels, caps, visors, sweaters, polo shirts, golf shirts, jackets, pullovers, outerwear, t-shirts, frisbees, footballs, golf balls, teddy bears	35, 37	U.S.	PEP BOYS, LOS AUTOS NOS QUEREN, LA GENTE NOS ADORA	751640,126	02/12/99	Pending
42	Providing information about automotive vehicles, automotive parts and accessories, and automotive maintenance and repair via a global computer network		U.S.	PEPBOYS.COM	751132,756	07/11/96	Pending
35	Retail stores featuring automotive parts and accessories		U.S.	PEP BOYS EXPRESS	2,226,116	02/23/99	\$8&15 due 02/23/05
35	Retail stores featuring automotive parts		U.S.	PEP BOYS EXPRESS (Stylized)	2,228,755	03/02/99	\$8&15 due 03/02/05
14, 21, 28	Watches, sunglasses, clothing, namely t-shirts, sweatshirts, denim jackets, tank tops, nightshirts		U.S.	THE PEP BOYS MANNY, MOE & JACK	2,001,610	09/17/96	\$8 due 9/17/02
37, 42	Motor vehicle maintenance and repair; telephone counseling, namely offering advice regarding motor vehicle maintenance and automotive care; retail automotive store services		U.S.	1-800-PEPBOYS	1,997,613	08/27/96	\$8 due 08/27/02
42	Retail stores featuring automotive parts & accessories		U.S.	PEP BOYS PARTS USA	2,009,686	02/25/97	\$8 due 02/25/03
42	Retail stores featuring automotive parts & accessories		U.S.	PARTS USA	2,028,139	01/07/97	\$8 due 01/07/03
42	Retail stores featuring automotive parts & accessories		U.S.	PARTS USA & Design	2,096,721	09/16/97	\$8 due 09/16/03
35, 37	Vehicle maintenance and repair services; retail automotive store services		U.S.	BANNER DESIGN	2,168,953	6/30/98	\$8 due 6/30/04
42	Retail store services		U.S.	MANNY, MOE & JACK	1,420,631	12/09/86	Renewal due 12/09/06
37	Vehicle servicing, repair & maintenance services and installation of parts		U.S.	MANNY, MOE & JACK	1,562,597	10/24/89	Renewal due 10/24/09
37, 42	Automotive repair & maintenance services,		U.S.	MANNY, MOE & JACK	1,665,248	11/19/91	Renewal due 11/19/01

*Not in use*  
T-17677A  
*Not in use*  
T-17677  
*Not in use*  
T-17677US2



Trademark	Design	Country	Class	Description	Amount	Issue Date	Renewal Date
T-18054 T-18054US1	MANNY, MOE & JACK Logo	U.S.	14, 16, 25	retail automotive store services Watches, mugs, beach towels, playing cards, clothing, sunshades, T-shirts, sweatshirts, denim jackets, tank tops, nightgowns	2,120,813 2,130,799	12/16/97 01/20/98	Renewal due 12/16/03 Renewal due 01/20/04
T-7055	CORNELL WITDE TRACK	U.S.	35	Pneumatic tires for automotive vehicles	811,556	07/19/66	Renewal due 07/19/06
T-9477	CORNELL FUTURA	U.S.	35	Pneumatic tires for automotive vehicles	778,767	10/20/64	Renewal due 10/20/04
T-9478	CORNELL XWT	U.S.	35	Pneumatic tires	848,659	05/07/68	Renewal due 05/07/08
T-9485	CORNELL MACH IV	U.S.	35	Pneumatic tires for automotive vehicles	878,643	10/14/69	Renewal due 10/14/09
T-9490	CORNELL	U.S.	35	Tires & inner tubes made of rubber & rubberized fabric	503,440	10/26/48	Renewal due 10/26/08
T-9506	CORNELL SNOWMAN	U.S.	12	Automobile tires	705,586	10/11/60	Renewal due 10/11/00
T-11760	FUTURA	U.S.	12	Tires	1,582,462	02/13/90	Renewal due 02/13/00
T-30498US0	FUTURA	U.S.		Vehicle wheel caps and hub caps	757,44,033	07/06/99	Pending
T-9499B	CADET	U.S.	9	Batteries	1,788,816	08/17/93	Renewal due 08/17/03
T-9500	VARSITY	U.S.	16	Auto enamel, tire paints, touch-up enamel and motor vehicle body polish for auto and lighter surfaces	269,398	04/08/30	Renewal due 04/08/00
T-25431US0	VARSITY	U.S.	4	Automotive touch-up paint, automotive cleaning preparations, automobile wax and polish	220,7,133	04/06/99	Renewal due 04/06/03
T-9504A	PURE AS GOLD	U.S.	4	Lubricants for motor vehicles	1,756,007	03/02/93	Renewal due 03/02/99
T-16088	PROCOOL (Stylized)	U.S.	12	Water pumps for land vehicles	1,918,786	09/12/95	Renewal due 09/12/01
T-16088A	PROCOOL	U.S.	6, 9, 12	Metal hoses and tubing fittings for use in installing vehicle oil coolers, thermostats and oil temperature gauges for automotive use; auto accessories namely, automatic transmission oil coolers, engine oil coolers, fan shutters, fans, fan spacers, fan adaptors, adaptors and mounts for oil coolers, and kits comprising automatic transmission and engine oil coolers, fans, thermostats, metal and rubber hose, tubing fittings, and adaptors, spacers and mounts and fasteners therefor for installing oil coolers	1,849,779	08/16/94	Renewal due 08/16/00

T-16484	PROSTOP	U.S.	12	Vehicle parts, namely, brakes, brake parts and accessories	1,815,366	05/10/94	Renewal due 05/10/04
T-16484A	PROSTOP	U.S.	12	Vehicle parts, namely, brakes, brake parts and accessories	1,891,072	06/06/93	§8 due 06/06/01
T-16796	ProStart	U.S.	12	Auto engine parts, namely contact sets, condensers, spark plugs, ignition wire sets	1,761,699	04/06/93	Renewal due 04/06/03
T-16796US1	ProStart	U.S.	9	Batteries	75/827,906	10/21/99	Pending
T-16805	PRO-START	U.S.	9,12	Electric storage batteries for use in vehicles; brake shoes for land vehicles	1,160,742	07/11/91	Renewal due 07/11/01
T-16805A	PRO START	U.S.	12	Engine re-ving kit, connecting rod bearings, timing chain dampener, timing chain tensioner	2,039,747	03/06/97	§8 due 03/06/03
T-16805US3	PRO START	U.S.	7	Engine long block, engine short block, cylinder heads, crank shaft, engine gaskets & seals, distributors	75/827,039	8/26/98	Pending
T-235661US0	PRO-START(Stylized)	U.S.	9	Batteries for land vehicles	2,121,550	12/16/97	§8 due 12/16/03
T-30628US0	PROSTART INTERNATIONAL	U.S.	9	Batteries	75/827,904	10/21/99	Pending
T-30629US0	PROSTART PERFORMANCE	U.S.	9	Batteries	75/827,903	10/21/99	Pending
T-30630US0	PROSTART PLUS	U.S.	9	Batteries	75/827,901	10/21/99	Pending
T-30631US0	PROSTART PREMIUM	U.S.	9	Batteries	75/827,905	10/21/99	Pending
T-16314	PROLIFT	U.S.	12	Vehicle trunk and hatchback support mechanism	1,796,948	10/05/93	Renewal due 10/05/03
T-16321	PROSOURCE	U.S.	37	Retail automotive store services, motor vehicle maintenance & repair services, education and assistance in automobile repair & maintenance services	1,891,550	04/25/95	§8 due 04/25/01
T-16797	PROTEAP	U.S.	9	Automotive temperature probes and related products, namely, anti-freeze gauges	2,014,042	11/05/96	§8 due 11/05/02
T-17425	PROTESTER	U.S.	37	Testing services for automotive parts	1,995,918	08/20/96	§8 due 08/20/02

T-17435	PRO RYDER	U.S.	12	Vehicle suspension dampers and shock absorbers and mounting hardware therefor for passenger cars and light trucks	1,994,167	08/20/96	§ 8 due 08/20/02
T-24430US0	PROLINE	U.S.	1, 3, 4	Chemical motor oil additives, chemical gasoline additives, fuel injection cleaner chemicals additive, brake fluid and power steering fluid, carburetor and choke cleaning preparations, and hand cleaning preparations; motor oil, non-chemical motor oil additives, non-chemical gasoline additives, transmission fluid, lubrication greases for vehicles, and belt dressings	2,179,980	8/4/98	§ 8 due 08/04/04
T-26681US0	PROLINE (Stylized)	U.S.	12	Automotive parts, namely, brake pads, disc pads, brake shoes	1,725,416	10/20/92	Petition due 07/03/00
T-27106US0	PROLINE	U.S.	1	Anti-freeze	751,043,977	6/18/98	Pending
T-27106US1	PROLINE	U.S.	4	Wiper blades	751,811,118	09/30/99	Pending
T-30097US0	PROLINE	U.S.	7	Oil and air filters	751,882,822	1/10/4/98	Pending
T-9476	PT	U.S.	21	Rebuild voltage regulators, generators, starter motors, and starter solenoids	746,513	03/12/63	Renewal due 03/12/03
T-9487	THE THREE BEST FRIENDS YOUR CAR EVER HAD	U.S.	42	Retail store services in the field of automotive accessories	1,363,854	10/01/85	Renewal due 10/01/05
<i>D. 350</i> T-9488	ZEBRA	U.S.	12	Automobile tires	1,392,286	05/06/86	Renewal due 05/06/06
T-9677US1	FLOTEX	U.S.	1	Rust-proof anti-freeze preparation for automobiles and similar vehicles	2,139,737	02/24/98	§ 8 due 02/24/04
T-9690	VANDYNE X-70	U.S.	15	Motor oil	794,049	07/10/62	Renewal due 07/10/02
T-11949	AMERICA'S AUTO-MOTIVE SUPER-CENTER	U.S.	42	Retail automotive store services, automotive repair & maintenance services	1,926,808	10/17/95	§ 8 due 10/17/01 Counterclaim for cancellation pending
T-16184	THE RIGHT CARD	U.S.	37	Vehicle maintenance and repair services, and retail automotive stores	1,901,090	06/20/95	§ 8 due 06/20/01
T-17111	DRIVE AWAY HAPPY	U.S.	37,43	Retail vehicle products store services, vehicle maintenance & repair	1,872,828	01/10/95	§ 8 due 01/10/01

SHUR ORIP	U.S.	12	Brake shoes and brake pads for automotive vehicles	1,560,746	10/17/09	Renewal due 10/17/09
<i>Discontinued</i> T-8386	U.S.	12	Tires and inner tubes	2,062,002	03/13/97	\$8 due 03/13/03
T-18137	U.S.	12	Motor vehicle brake parts and accessories, namely power brakes, boosters, master cylinders	2,276,244	09/07/99	\$8 due 09/07/05
T-18143	U.S.	4	Motor oil	2,139,820	02/24/98	\$8 due 02/24/04 (Supplemental Register)
T-18221	U.S.	37, 42	Automotive maintenance and repair services, retail stores featuring automotive parts and automotive accessories	2,100,239	09/23/97	\$8 due 09/23/03
T-25251US0	U.S.	35, 37	Retail stores featuring automotive supplies; automotive maintenance and repair services	2,178,316	8/4/98	\$8 due 8/4/04
T-25252US0	U.S.	41	Entertainment services in the nature of a television series in the field of automobile maintenance and repair; pre-recorded video cassettes in the field of automotive maintenance and repair	757,530,778	08/14/96	Allowed
T-25542US0	U.S.	9	Batteries	2,233,015	03/23/99	\$8 due 03/23/05
<i>Discontinued</i> T-23920US0	U.S.	9	Batteries	2,231,760	06/08/99	
<i>Discontinued</i> T-23921US0	U.S.	35, 37	Retail stores featuring vehicle parts; automotive maintenance and repair services	2,311,406	01/23/00	\$8 due 01/23/06
T-30093US0	U.S.	35	Wholesale distribution and sale of automotive parts and accessories; delivery of automotive parts and accessories	757,742,664	06/30/99	Pending
T-30393US0	U.S.	35	Wholesale distribution and sale of automotive parts and accessories	757,742,665	06/30/99	Pending
<i>Abandoned</i> T-30394US0	U.S.	35	Wholesale distribution and sale of automotive parts and accessories; delivery of automotive parts and accessories	757,742,666	06/30/99	Pending
<i>Abandoned</i> T-30395US0	U.S.	16, 35, 39	Magazine in the field of automotive products and services; wholesale distribution and sale of automotive parts and accessories; delivery of automotive parts and accessories	757,742,670	06/30/99	Pending
<i>Abandoned</i> T-30472US0	U.S.	12	Automotive wheels	757,739,948	06/30/99	Pending

Updated February 12, 2000

**EXHIBIT B  
TO  
TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT**

**LIST OF LICENSES**

Safelite Glass Corp. License Agreement (expires May 10, 2003, subject to one-year automatic renewals unless cancelled).

Debtor may grant non-exclusive licenses in the ordinary course of its business which do not impair or adversely affect Secured Party's rights in and to the Collateral or otherwise under this Agreement or the Loan Agreement.

**EXHIBIT C  
TO  
TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT**

**SPECIAL POWER OF ATTORNEY**

STATE OF NEW YORK        )  
  ) ss.:  
COUNTY OF NEW YORK    )

KNOW ALL MEN BY THESE PRESENTS, that THE PEP BOYS MANNY MOE & JACK OF CALIFORNIA ("Debtor"), having an office at 3111 West Allegheny Avenue, Philadelphia, Pennsylvania 19132 hereby appoints and constitutes, severally, CONGRESS FINANCIAL CORPORATION ("Secured Party"), and each of its officers, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instrument of assignment, or other papers which Secured Party, in its discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of Debtor in and to any trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its discretion, deems necessary or advisable to further the purposes described in Subparagraph 1 hereof.

This Power of Attorney is made pursuant to a Trademark Collateral Assignment and Security Agreement, dated of even date herewith, between Debtor and Secured Party (the "Security Agreement") and is subject to the terms and provisions thereof. This Power of Attorney, being coupled with an interest, is irrevocable until all "Obligations", as such term is defined in the Security Agreement, are paid in full and the Security Agreement is terminated in writing by Secured Party.

Dated: September \_\_\_\_, 2000

THE PEP BOYS MANNY MOE & JACK OF  
CALIFORNIA

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF NEW YORK        )  
                                  ) ss.:  
COUNTY OF NEW YORK    )

On this \_\_\_\_ day of September \_\_\_\_ 2000, before me personally came \_\_\_\_\_,  
to me known, who being duly sworn, did depose and say, that he is the \_\_\_\_\_ of THE PEP BOYS  
MANNY MOE & JACK OF CALIFORNIA, the corporation described in and which executed the  
foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said  
corporation.

\_\_\_\_\_  
Notary Public