

07-16-2002

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

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

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

1. Name of conveying party(ies):

Car-X Associates Corp. 7-10-02

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

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: July 8, 2002

2. Name and address of receiving party(ies)

Name: Car-X Service Systems, Inc.

Internal Address: 365 Bloor Street East

Street Address: 365 Bloor Street East

City Toronto State Ontario Zip M4W 3M7 CANADA

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

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

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,444,476 1,003,042 0,995,481

Additional number(s) attached Yes No

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

Name: Pauline E. Doohan FOLEY & LARDNER Internal Address: One IBM Plaza, 330 N. Wabash Ave., Ste. 3300 Chicago, IL 60611

Street Address: One IBM Plaza, 330 N. Wabash Avenue, Suite 3300

City: Chicago State: IL Zip: 60611

6. Total number of applications and registrations involved:

3

7. Total fee (37 CFR 3.41) \$90.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

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

DO NOT USE THIS SPACE

9. Statement and signature.

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

Pauline E. Doohan Name of Person Signing

Signature

7/10/02 Date

Total number of pages including cover sheet, attachments, and document: 12

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

**ADDITIONAL RECEIVING PARTY**

**Second Receiving Party:**

**Name:** Discoverer Services, Inc.  
C/o SMK Speedy International, Inc.  
**Address:** 365 Bloor Street East  
Toronto, Ontario M4W 3M7 CANADA

**Corporation-**  
**State:** Delaware

# TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT, dated as of the 3<sup>rd</sup> day of July, 2002 (this "Agreement"), is made by CAR-X ASSOCIATES CORP., a Delaware corporation (the "Company"), in favor of CAR-X SERVICE SYSTEMS INC., a Delaware corporation ("Car-X"), and DISCOVERER SERVICES INC., a Delaware corporation ("DSI") (collectively, Car-X and DSI are referred to herein as "Sellers").

The Company agrees with Sellers as follows:

## Section 1. Definitions.

(a) "*Event of Default*" means an "*Event of Default*" under the Security Agreement.

(b) "*IP Collateral*" means the Trademarks and Trademark Licenses.

(c) "*Secured Obligations*" has the meaning given it in the Security Agreement.

(d) "*Security Agreement*" means the Security Agreement of even date herewith, by and among the Company and Sellers, as amended or modified from time to time.

(e) "*Trademarks*" means (i) all trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications (including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications listed on Schedule A attached hereto as amended from time to time); (ii) all renewals of any of the items in clause 1(e)(i) above; (iii) with respect to any of the foregoing items, (A) all income, royalties, damages and payments now or hereafter due or payable (including, without limitation, payments under all licenses and other agreements and damages and payments for past or future infringements or dilutions), (B) the right to sue for past, present and future infringements dilutions and unfair competition, and (C) the goodwill symbolized by and connected with such items; and (iv) all rights throughout the world in connection with any of the foregoing items, including, without limitation, the right to prepare for sale and distribution and sell or distribute any and all inventory now or hereafter owned by the Company and now or hereafter covered by such items.

(f) "*Trademark Licenses*" means (i) all licenses and other agreements with respect to Trademarks, but excluding, in any case, those licenses to which the Company is a party as licensee and under which the Company would be in default by reason of the grant of a security interest therein; (ii) the goodwill symbolized by and connected with any of the foregoing items; and (iii) all rights throughout the world in connection with the foregoing items, including, without limitation, the right to prepare for sale and distribution and sell or

distribute any and all inventory now or hereafter owned by the Company and now or hereafter covered by such items.

(g) Other Definitions. Unless otherwise defined in this Agreement, capitalized terms used in this Agreement, which are defined in the Security Agreement, shall have the meanings given them in such documents. All terms not otherwise defined in this Agreement or in such documents shall have the meanings given them in Articles I through IX of the Uniform Commercial Code in effect in Illinois.

**Section 2. Security Interest and Grant.** The Company grants and assigns to Sellers a security interest in all IP Collateral in which the Company has or acquires an interest to secure the payment and performance of the Secured Obligations.

**Section 3. Notices Regarding Trademarks.**

(a) New Trademarks: Additional Filings. The Company hereby authorizes Sellers to: (i) modify this Agreement unilaterally by amending Schedule A, as appropriate, to include any IP Collateral subject to this Agreement and not already listed on Schedule A, any IP Collateral in which the Company acquires an interest after the date of this Agreement, (ii) file registrations on any IP Collateral, and (iii) file in the offices deemed by Sellers to be necessary or appropriate to perfect the security interests granted herein (in addition to and not in substitution for this Agreement and/or any Notice of Security Interest in Trademarks that may be filed by Sellers), a duplicate original of this Agreement, a Notice of Security Interest in Trademarks, containing on schedules thereto, as appropriate, any IP Collateral subject to this Agreement and not already listed on schedules filed in such offices, and any IP Collateral in which the Company acquires an interest after the date of this Agreement.

(b) Licenses. The Company shall from time to time, when requested by Sellers, or either of them, during the term of this Agreement, provide to Sellers a list of all licenses and other agreements with respect to Trademarks, including such other information as Sellers, or either of them, may reasonably request, all in form satisfactory to Sellers.

**Section 4. The Company's Warranties.** The Company warrants that there are no currently effective liens, security interests or encumbrances of any kind in the IP Collateral except security interests permitted under the Security Agreement while any of the Secured Obligations are outstanding.

**Section 5. Future Agreements.** Subject to the terms of the Security Agreement and to Section 6 hereof, the Company shall be permitted to manage, license and administer its intellectual property in such manner as the Company in its reasonable business judgment deems desirable; provided, however, that upon the occurrence and during the continuance of an Event of Default, the Company will not, without Sellers' prior written consent (i) enter into any license or other agreements with respect to IP Collateral except license agreements entered into in the ordinary course of its business consistent with past practices, but containing such additional provisions as Sellers, or either of them, may from time to time request to permit a security interest in favor of Sellers and to protect Sellers' interest hereunder or (ii) take any

action, or permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect adversely affect the validity or enforcement of the rights transferred to Sellers under this Agreement or the rights associated with any IP Collateral in which the Company has or acquires an interest. If the Company becomes a licensor of any IP Collateral after the date hereof, such license shall protect Sellers' security interest by reciting that the Company has granted a security interest to Sellers in all the Company's IP Collateral. The Company agrees not to sell or assign its respective interests in, or grant any license under, any IP Collateral without the prior written consent of Sellers, except for (A) licenses, to the extent permitted under the first sentence of this Section 5, and (B) sales and assignments (other than licenses) not prohibited under the Security Agreement.

**Section 6. Duties Of the Company.**

(a) Prosecution of Applications: Trademark Notice. The Company shall have the duty, to the extent desirable in the Company's reasonable business judgment, in the normal conduct of the Company's business, to: (i) prosecute diligently any trademark application or service mark application in which the Company has or acquires an interest, (ii) make application for registration of trademarks and service marks, and (iii) use the TM or SM designation, as appropriate, with unregistered Trademarks, and use the ® designation with registered trademarks.

(b) Preservation. The Company shall (i) not abandon any Trademark or Trademark License that is or shall be necessary or economically desirable in the operation of the Company's business without the prior written consent of Sellers and (ii) take all reasonable and necessary action to preserve and maintain all of the Company's rights in IP Collateral that is or shall be necessary or economically desirable in the operation of the Company's business, including, without limitation, making timely filings for affidavits, renewals and extensions and diligently monitoring unauthorized use thereof.

(c) No Intent to Use Trademark Applications. In connection with the discharge of its duties under Section 6(a)(ii), above, the Company shall not file any application to register a Trademark based on the Company's "intent to use" such trademark (as opposed to the Company's actual use of such Trademark) without prior written authorization from Sellers.

**Section 7. Quality Controls.** The Company agrees that upon the occurrence and during the continuance of an Event of Default, it will maintain the quality of products bearing any Trademarks and/or sold under any Trademark Licenses and will not allow the quality of such products to diminish in any material respect without Sellers' prior and express written consent.

**Section 8. Continuation And Termination Of Sellers' Security Interest.** This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the IP Collateral and shall terminate only when the Secured Obligations have been paid in full in cash and are no longer subject to any right of recovery, and the Security Agreement has been terminated. When this Agreement has terminated, Sellers shall promptly execute and deliver to the Company, at the Company's expense, all termination

statements and other instruments as may be necessary or proper to terminate Sellers' security interest in the IP Collateral subject to any disposition thereof which may have been made by Sellers in accordance with this Agreement or the Security Agreement.

**Section 9. Rights Of Sellers.**

(a) Limited Duty: Right to Preserve. Sellers shall not have any duty with respect to the IP Collateral other than to act lawfully and without gross negligence or willful misconduct, as determined by a court of competent jurisdiction. Without limiting the generality of the foregoing, Sellers shall be under no obligation to take any steps necessary to preserve rights in the IP Collateral against any other parties, but Sellers may do so at their option upon the occurrence and during the continuance of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of the Company and shall be added to the Secured Obligations secured hereby.

(b) Right to Bring Suit. Upon the occurrence and during the continuance of an Event of Default, Sellers shall have the right, after consultation with the Company, but shall not be obligated, to bring suit in its own name to enforce the rights in IP Collateral and, if Sellers shall commence any such suit, the Company shall, at the request of Sellers, or either of them, do any and all lawful acts and execute any and all proper documents required by Sellers, or either of them, in aid of such enforcement, and all reasonable expenses incurred in connection therewith shall be for the sole account of the Company and shall be added to the Secured Obligations secured hereby.

**Section 10. Power Of Attorney.** The Company irrevocably appoints any officer of Sellers, or either of them, as the Company's attorney with power (exercisable at any time after the occurrence of an Event of Default and while it is continuing) to (i) endorse the Company's name on all applications, documents, papers and instruments necessary or desirable for Sellers in the use of any IP Collateral; (ii) assign, pledge, convey or otherwise transfer title in or dispose of any IP Collateral to anyone on commercially reasonable terms, and make such filings and recordations thereof as shall be appropriate; (iii) grant or issue any exclusive or nonexclusive license under any Trademarks, and, to the extent permitted, under any Trademark Licenses, to anyone on commercially reasonable terms; and (iv) take any other actions with respect to IP Collateral as Sellers, or either of them, deem necessary or desirable. All acts of such attorney are ratified and approved and such attorney is not liable for any act or omission or for any error of judgment or mistake of fact or law taken without willful misconduct.

**Section 11. Default.**

(a) Upon the occurrence of any Event of Default and while it is continuing, Sellers shall have all rights and remedies for default provided by the UCC, as well as any other applicable law and the Secured Obligations.

(b) All of Sellers' rights and remedies with respect to the IP Collateral, whether established hereby, by the Security Agreement, by any other agreements or by law,

shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, Sellers may exercise any of the rights and remedies provided in this Agreement or the Security Agreement, or by law.

Section 12. **Expenses.** The Company shall pay to Sellers, on demand, the amount of any and all reasonable expenses, including, without limitation, reasonable attorneys' fees, legal expenses and brokers' fees, which Sellers, or either of them, may reasonably incur in connection with (a) the sale, collection or other enforcement or disposition of the IP Collateral; (b) the exercise or enforcement of any of the rights, remedies or powers of Sellers hereunder or with respect to any or all Secured Obligations; or (c) the failure by the Company to perform or observe any agreements of the Company contained herein which are performed by Sellers.

Section 13. **Course of Dealing; Remedies Cumulative.** No course of dealing by Sellers and no failure by Sellers, or either of them, to exercise, or delay by Sellers, or either of them, in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, and no further exercise thereof and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right, remedy or power of Sellers. No amendment, modification or waiver of any provision of this Agreement and no consent to any departure by the Company therefrom, shall, in any event, be effective unless contained in a writing signed by each of Sellers, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given, except that Sellers may amend this Agreement by modifying Schedule A without the consent of the Company. The rights, remedies and powers of Sellers and the Company, not only hereunder, but also under any instruments and agreements evidencing or securing the Secured Obligations and under applicable law are cumulative, and may be exercised by Sellers from time to time in such order as they may elect.

Section 14. **Notices.** All notices, requests, demands and other communications hereunder shall be sent in conformance with the Security Agreement.

Section 15. **Binding Agreement; Successors and Assigns.** This Agreement shall (a) remain in full force and effect until payment and satisfaction in full of all Secured Obligations; (b) be binding upon the Company, and its heirs, legal representatives, successors in title and assigns; and (c) inure to the benefit of Sellers and their respective successors and assigns. This Agreement and the IP Collateral may be assigned and transferred by Sellers at any time, and the assignee shall thereupon have such rights, remedies, powers and duties with respect hereto and thereto as Sellers had prior to such assignment and transfer, and Sellers shall thereupon be relieved and discharged of any responsibility with respect to this Agreement and the IP Collateral.

Section 16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois applicable to agreements made and to be performed in the State of Illinois and shall be construed without regard to any presumption or other rule requiring the construction of an agreement against the party causing it to be drafted.

Section 17. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated herein are not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement may be consummated as originally contemplated to the fullest extent possible.

Section 18. WAIVER OF JURY TRIAL. SELLERS AND THE COMPANY, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY RELATED INSTRUMENT OR AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. NEITHER SELLERS NOR THE COMPANY SHALL SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY SELLERS OR THE COMPANY EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY ALL OF THEM.

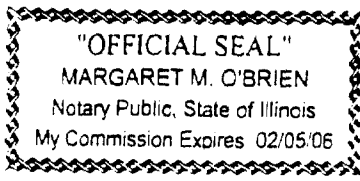
*[remainder of page intentionally blank]*





STATE OF Illinois )  
 ) SS:  
COUNTY OF Cook )

The foregoing instrument was acknowledged before me on July 5, 2002 by MARY JANE ALLEN the VPT Treasurer of Car-X Service Systems Inc., a Delaware corporation.

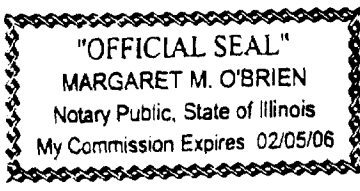


Margaret M. O'Brien  
Name: \_\_\_\_\_  
Notary Public  
State of Ill, County of Cook  
My Commission: 2/5/06

[NOTARIAL SEAL]

STATE OF Illinois )  
 ) SS:  
COUNTY OF Cook )

The foregoing instrument was acknowledged before me on July 5, 2002 by MARY JANE ALLEN the VPT Treasurer of Discoverer Services Inc., a Delaware corporation.



Margaret M. O'Brien  
Name: \_\_\_\_\_  
Notary Public  
State of Ill, County of Cook  
My Commission: 2/5/06

[NOTARIAL SEAL]

**SCHEDULE A**

**Trademarks**

**See Attached**

Owner	Trademark	Country/Class	Appln. Date Appln. No.	Reg. Date Reg. No.	Log # Docket #	Next Action Date	Next Action Date	Next Action Date
Car-X Service Systems Inc.	CAR X CARES	USA		6/23/87 1444476	4853	6/23/07	6/23/07	EXP
	GOODS:	Motor vehicle repair services.						
	NOTES:	Change of name from Speedy Car-X Inc. to Car-X Service Systems Inc. recorded 11/17/98. Affidavit accepted 09/07/93.						
Car-X Service Systems Inc.	CAR-X	USA 37		1/28/75 1003042	4852	1/28/05	1/28/05	EXP
	GOODS:	Automotive services comprising installation and repair of automotive exhaust systems, brakes and shock absorbers.						
	NOTES:	Change of name from Speedy Car-X Inc. to Car-X Service Systems Inc. recorded 11/17/98. Renewed 12/06/94.						
Car-X Service Systems Inc.	CARX (Stylized)	USA 37		10/8/74 995481	4851	10/8/04	10/8/04	EXP
	GOODS:	Automotive services comprising installation and repair of automotive exhaust systems, brakes and shock absorbers.						
	NOTES:	Change of name from Speedy Car-X Inc. to Car-X Service Systems Inc. recorded 11/17/98. Renewed 09/27/94.						