

**COLLATERAL ASSIGNMENT OF PROPRIETARY RIGHTS
AND SECURITY AGREEMENT**

This Collateral Assignment of Proprietary Rights and Security Agreement (the "Agreement"), is dated as of April 2, 1998, from International Top Value Automotive, L.L.C., a Michigan limited liability company with a principal place of business at 36887 Schoolcraft, Livonia, Michigan 48150 (the "Company"), in favor of NBD Bank, a Michigan banking corporation with a place of business at 701 First National Building, Detroit, MI 48226 ("NBD").

The Company and NBD have entered into a Credit Authorization Agreement and certain other loan and security documents (collectively, the "Loan Documents") pursuant to which the Company has granted to NBD liens and security interests in all of the Company's assets, including without limitation, all of the Company's trademarks, tradenames, patents and copyrights to secure all of the Company's obligations to NBD. Among other conditions, it is a condition to the effectiveness of the Loan Documents that the Company shall have executed and delivered this Agreement to NBD.

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

1. **Incorporation of Loan Documents.** The Loan Documents (and all agreements referred to or incorporated therein) and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms used herein with initial capital letters but not otherwise defined herein, shall have the meanings specified in the Loan Documents.

2. **Collateral Assignment of Trademarks, Copyrights and Patents.** To secure the prompt payment and performance of all of the Company's present and future indebtedness and other obligations to NBD under the Loan Documents or otherwise (collectively, the "Obligations"), the Company hereby grants to NBD a continuing security interest in, and, subject to Section 4 hereof, shall assign, transfer and convey, to NBD all right, title and interest, in the United States and throughout the world, in, to and under the following (all of which are hereinafter collectively called the "Collateral") whether now existing or hereafter created or acquired, as to all of the above:

(a) all United States and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, trademark registrations and applications for registration, now owned or hereafter acquired by the Company (including, without limitation, such of the foregoing listed on Schedule 1 attached hereto and made a part hereof) and all licenses thereof, together with the goodwill of the business connected with the use of, and symbolized by, the foregoing, and (a) the registration renewals thereof, (b) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto

including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the rights to sue and recover for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world, (all of the foregoing sometimes hereinafter individually or collectively referred to as the "Trademarks");

(b) all United States and foreign copyrights, registered or unregistered, in and to all copyrightable works including all registrations and applications therefor and all licenses thereof and (a) any renewals or extensions of the registrations therefor that may be secured under the laws now or hereafter in effect in the United States or any other country or countries, (b) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue and recover for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (sometimes individually or collectively referred to as the "Copyrights");

(c) all United States and foreign patents and patent applications, now owned or hereafter acquired by the Company, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Schedule 1 attached hereto and made a part hereof, all licenses thereof and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (c) the right to sue and recover for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing being sometimes hereinafter individually or collectively referred to as the "Patents"); and

(d) all other intellectual property rights, now owned or hereafter acquired by the Company, including, without limitation, the intellectual property listed on Schedule 1 attached hereto and made a part hereof including, without limitation, trade secrets, know-how and confidential business information, computer software, computer programs, source code, data and documentation (including electronic media) and licenses thereof, and (a) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (b) the right to sue and recover for past, present and future infringements thereof, and (c) all rights corresponding thereto throughout the world (individually or collectively referred to as "Intellectual Property Rights").

3. **Continuing Liability.** The Company hereby expressly agrees that, anything herein to the contrary notwithstanding, it shall remain liable under each license, interest and obligation assigned to NBD hereunder to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and

provisions thereof. NBD shall have no obligation or liability under any such license, interest or obligation by reason of or arising out of this Agreement or the assignment thereof to NBD or the receipt by NBD of any payment relating to any such license, interest or obligation pursuant hereto, nor shall NBD be required or obligated in any manner to perform or fulfill any of the obligations of the Company thereunder or pursuant thereto, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such license, interest or obligation, or to present or file any claim, or to take any action to collect or enforce any performance of the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

4. **Effect of Collateral Assignment and Remedies.** The Company agrees that upon the occurrence of an Event of Default under the Loan Documents, NBD, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon the Company or any other person (all and each of which demands, advertisements or notices are hereby expressly waived), may forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, or may forthwith sell, lease, assign, give option or options to purchase, or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more public or private sale or sales, at any exchange, broker's board or at any of NBD's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, and NBD shall apply the net proceeds (after expenses) of any such sale, lease, assignment or other disposition against the Obligations in such order as NBD in its sole discretion shall determine, the Company remaining liable for any deficiency therein. NBD shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity or redemption in the Company, which right or equity is hereby expressly waived and released. To the extent permitted by applicable law, the Company waives all the claims, damages and demand against NBD arising out of the repossession, retention or sale of the Collateral. The Company agrees that NBD need not give more than fifteen days' notice of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matter. The Company hereby authorizes NBD to make, constitute and appoint any officer or agent of NBD as NBD may select, in NBD's sole discretion, as the Company's true and lawful attorney-in-fact, with power (i) to endorse the Company's name on all applications, documents, papers and instruments necessary or desirable for NBD in the use of Collateral, (ii) to take any other actions with respect to the Collateral as NBD deems in the best interest of NBD, (iii) from and after the occurrence of an Event of Default, to grant or issue any exclusive or nonexclusive license under the Collateral to anyone, and (iv) from and after the occurrence of any Event of Default, to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue of this Assignment. This power of attorney shall be irrevocable until all of the Obligations have been paid in full and all of the financing arrangements between the Company and NBD have been terminated and NBD has no further obligation to make loans to Company. The Company agrees that, in addition to all other rights and remedies granted to NBD in this Agreement, the Loan Agreement and any other collateral

security document, NBD shall be entitled to specific performance and injunctive and other equitable relief, and Company further agrees to waive any requirement for the securing or posting of any bond or other security in connection with the obtaining of any such specific performance and injunctive or other equitable relief.

5. **Grant of License to Use Intangibles.** In addition to and in no way limiting the effect of Section 4 hereof, for the purpose of enabling NBD to exercise rights and remedies under Section 4 hereof at such time as NBD, without regard to this Section 5, shall be lawfully entitled to exercise such rights and remedies, the Company shall permit NBD reasonable access to all media in which any of the Collateral may be recorded or stored and to all computer programs used for the compilation or printout thereof. In addition, upon an Event of Default, NBD, and its assigns, shall have a non-exclusive license throughout the world in all Trademarks, Patents, Copyrights, and Intellectual Property Rights for the manufacture, sale and distribution of inventory or other goods of the Company or any Affiliate and for the sale and use of any assets of the Company in which NBD has a security interest (whether now or in the future.)

6. **Representation and Warranties.** The Company represents and warrants that Schedule 1 contains a complete and correct list of all the trademark registrations and trademark applications, copyright registrations and copyright applications and patents and patent applications, respectively, if any, (i) owned by the Company or (ii) licensed to or by the Company (together with the terms of such licenses). The Company additionally represents and warrants to the best of its knowledge that there are no currently pending patent applications on which any agents or employees of Company are listed as an inventor. Except as set forth in Schedule 1, the Company owns free and clear of all liens all right, title and interest in, or has full right and authority to use, all Collateral necessary or desirable for the conduct of their businesses as currently conducted, as previously conducted or as currently proposed to be conducted. Except as set forth in Schedule 1, no claim by any other person or entity ("Person") contesting the validity or ownership of any Collateral has been made, is currently outstanding or is threatened and neither the Company nor any executive thereof has received any notice of, or is aware of any facts which would indicate a likelihood of, any infringement or misappropriation upon, or conflict with, any other Person's intellectual property. Except as set forth in the Schedule 1, none of the Collateral infringes or misappropriates upon, or conflicts with, any intellectual property of any Person, and no infringement, misappropriation or conflict will occur as a result of the continued operation of the businesses as now conducted as currently proposed to be conducted. The transactions contemplated by this Agreement will have no adverse effect on the Company's rights in and to the Collateral. The Company has taken all action necessary or desirable to protect the Collateral and will continue to take such action prior to Closing so as to not adversely affect the validity or enforcement of the Collateral. The Company further agrees that it will at its expense, at NBD's request, defend NBD's and the Company's respective interests in the Collateral from any and all claims and demands of any other person and that it will not grant, create or permit to exist any lien upon or security interest in the Collateral in favor of any other person except liens permitted by the Loan Agreement; provided, however, that prior to the occurrence of an Event of Default and until the expiration of any applicable grace period, nothing contained in this

Agreement shall affect the Company's right, upon receipt of NBD's prior written consent, to grant non-exclusive licenses to third parties to use any portion of the Collateral.

7. **Restrictions on Future Agreements.** The Company agrees that until all of the Obligations have been satisfied in full and the Loan Documents have been terminated and NBD has no further obligation or agreement (whether or not discretionary on NBD's part) to make loans to the Company, it will not, without NBD's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is materially inconsistent with the Company's obligations under this Agreement and the Company further agrees that it will not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would materially affect the validity or enforcement of any of the rights transferred to NBD under this Agreement.

8. **Covenants Regarding Collateral.**

(a) The Company (either itself or through licensees) shall (i) continue to use each Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain each Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under each Trademark (iii) employ each Trademark, Copyright and Patent with the appropriate notice of application or registration on applicable products or services, (iv) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Patent may become invalidated or unenforceable, any Trademark rights may become abandoned or unenforceable, any Copyright rights may become unenforceable, or any Intellectual Property Right may become unenforceable, (v) prosecute diligently any trademark application, copyright application or any patent application which is pending as of the date of this Agreement or thereafter, until the Obligations shall have been paid in full, (vi) make application on unpatented but patentable inventions, as appropriate, and (vii) preserve and maintain all rights in and to the Collateral.

(b) The Company shall notify NBD reasonably promptly if it knows, or has reason to know, that any application or registration relating to any of the Collateral may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding the Company's ownership of any of the Collateral, its right to register the same, or to keep and maintain the same, except for such abandonment, determination or dedication which is permitted under subparagraph (a) above.

(c) The Company will take all necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Collateral, including, without limitation, filing of applications

for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings (except to the extent that dedication, abandonment or invalidation is permitted under subparagraphs (A) and (B) above).

(d) In the event that any of the Collateral is infringed, misappropriated or diluted by a third party, the Company shall reasonably promptly notify NBD after it learns thereof and shall reasonably promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, or to take such other actions as the Company, with NBD's prior written consent, shall reasonably deem appropriate under the circumstances to protect such Collateral.

(e) At its option, NBD may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance on the Collateral upon failure by the Borrower to provide insurance satisfactory to NBD, and may pay for the maintenance, repair and preservation of the Collateral. Borrower agrees to reimburse NBD on demand for any payment reasonably made in any expense incurred by NBD pursuant to the foregoing authorization. Subject to NBD's rights under the License Agreement, until an Event of Default occurs and after expiration of any applicable grace period and an acceleration of the loans, the Company may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement.

9. **Notice.** All notices or other communications hereunder shall be given in the manner and to the addresses determined under the Agreement.

10. **Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11. **No Waiver; Cumulative Remedies.** NBD shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by NBD, and then only to the extent therein set forth. A waiver by NBD of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which NBD would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of NBD any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law or any other agreements between the parties.

12. **Waivers; Amendments.** None of the terms and provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing executed by the parties hereto.

13. **Limitations by Law.** All rights, remedies and powers provided by Sections 4 and 5 hereof may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of Sections 4 and 5 hereof are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement invalid, unenforceable in whole or in part or not entitled to be recorded, registered or filed under the provisions of any applicable law.

14. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and nothing herein or in the Agreements or any other collateral security document is intended or shall be construed to give any other person any right, remedy or claim under, to or in respect of this Agreement, the Agreements or any other collateral security document. This Agreement may be signed in separate counterparts.

15. **Termination and Reassignment.** NBD agrees that upon the termination or expiration of the Loan Documents and termination of any obligations of NBD to make loans (whether or not discretionary) to the Company and the payment and performance in full of all the Obligations, NBD will execute documents releasing the security interests created hereby and to reassign to the Company, without warranty, representation or guaranty of any nature kind, NBD's interest in the Collateral.

16. **Applicable Law.** This Agreement shall be governed by, and be construed and interpreted in accordance with, the internal laws (and not the laws of conflict) of the State of Michigan.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first set forth above.

INTERNATIONAL TOP VALUE
AUTOMOTIVE, L.L.C.

By: 

Mark Lubienski, Manager

NBD BANK

By: 

Christer D. Lucander, Vice President

Schedule 1 - Patents, Trademarks and Copyrights, etc.

SCHEDULE 1

U.S. Trademarks

1. Serial Number: 73-302,377
Reg. No.: 1,222,509
Filing Date: January 4, 1983
Trademark: Top Value Muffler Shops

Patents

None

Patent Applications

None

Foreign Patents and Applications

None

Michigan Trademarks

1. Registration Number: 80,059
Filing Date: August 19, 1987
Trademark: Undercar Specialists

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