

MRD 3/21/01

04-05-2001

FORM PTO-1594 (Rev. 6-93) OMB No. 0651-0011 (exp. 4/94)



SHEET Y

U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

To the Honorable Commissioner of Pa.

101669378

Attached original documents or copy thereof.

1. Name of conveying party(ies):

Biggs Manufacturing, Inc.

- Individual(s), Association, General Partnership, Limited Liability, Corporation (Arizona), Other

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

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

Name: Fleet Capital Corporation Internal Address: One South Wacker Drive, Suite 1400 City: Chicago State: Illinois Zip: 60606

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State Rhode Island, Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date: December 29, 2000

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

A. Trademark Application No.(s)

75/331,895

B. Trademark registration No.(s)

2,248,039 2,288,444 1,930,646 2,076,101 2,173,826

Additional numbers attached? Yes No

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

Name: VEDDER,PRICE, KAUFMAN & KAMMHOLZ

Attention: Tammy S. Settle

Internal Address:

Street Address: 222 North LaSalle Street Suite 2600

City: Chicago State: IL ZIP: 60601

6. Total number of applications and registrations involved: 6

7. Total Fee (37 CFR 3.41) \$ 165.00

- Enclosed, Authorized to be charged to deposit account (Any Deficiencies)

8. Deposit account number: 22-0259

(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.

Tammy S. Settle Name of Person Signing

Tammy S. Settle Signature

MARCH 21, 2001 Date

Total number of pages including cover sheet, attachments, and document: 13

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

04/04/2001 6TDN11 00000138 75331895 Commissioner of Patents and Trademarks Box Assignments Washington, D.C. 20231

01 FC:481 40.00 OP 02 FC:482 125.00 OP

TRADEMARK REEL: 002263 FRAME: 0883

TRADEMARK AND LICENSE SECURITY AGREEMENT

TRADEMARK AND LICENSE SECURITY AGREEMENT ("Agreement") dated as of December 21, 2000 made by Biggs Manufacturing, Inc., an Arizona corporation, having its chief executive office at 2605 West First Street, Tempe, Arizona 85281 ("Pledgor"), and FLEET CAPITAL CORPORATION, a Rhode Island corporation ("FCC"), as agent (FCC, in such capacity, being "Agent") for Lenders (as hereinafter defined).

WITNESSETH:

WHEREAS, Pledgor has entered into that certain Loan and Security Agreement dated as of December 21, 2000 (as the same may hereafter be amended or otherwise modified from time to time, the "Loan Agreement"), by and among the Pledgor, Holley Performance Products, Inc., a Delaware corporation, Holley Performance Systems, Inc., a Delaware corporation, Weiland Automotive Industries, Inc., a California corporation, Lunati Cams, Inc., a Tennessee corporation, Lunati & Taylor Pistons, Incorporated, a Mississippi corporation, Nitrous Oxide Systems, Inc., a California corporation, Earl's Supply Company, a California corporation, and Hooker Industries, Inc., a California corporation, (collectively the "Borrowers"), the lenders who are signatories thereto ("Lenders") and Agent, pursuant to which Lenders have, subject to certain conditions precedent, agreed to make loans, advances and other financial accommodations (collectively, the "Loans") to Borrowers; and

WHEREAS, Lenders have required as a condition, among others, to the making of the Loans to Borrowers, in order to secure the prompt and complete payment, observance and performance of all of Borrowers' obligations and liabilities hereunder, under the Loan Agreement, and under all of the other instruments, documents and agreements executed and delivered by Borrowers to Agent, for itself and the ratable benefit of Lenders, in connection with the Loan Agreement (all such obligations and liabilities being hereinafter referred to collectively as the "Obligations"), that Pledgor execute and deliver this Agreement to Agent, for itself and the ratable benefit of Lenders;

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

I. Defined Terms.

- A. Unless otherwise defined herein, the capitalized terms used herein which are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement.

- B. The words “hereof,” “herein” and “hereunder” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and schedule references are to this Agreement unless otherwise specified.
- C. All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

II. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Pledgor hereby grants to Agent, for itself and the ratable benefit of Lenders, a first priority security interest in, having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of Pledgor’s now owned or existing and filed and hereafter acquired or arising and filed:

- A. trademarks, registered trademarks and trademark applications, trade names, service marks, registered service marks and service mark applications including, without limitation, the registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule A, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, © the right to sue for past, present and future infringements and dilutions thereof, and (d) all of Pledgor’s rights corresponding thereto throughout the world (all of the foregoing registered trademarks, trademark applications, registered service marks and service mark applications, together with the items described in the foregoing clauses (a)-(d), being sometimes hereinafter individually and/or collectively referred to as the “Trademarks”);
- B. the goodwill of Pledgor’s business connected with and symbolized by the Trademarks; and
- C. license agreements with any other party in connection with any Trademarks or such other party’s trademarks, registered trademarks and trademark applications, trade names, service marks, registered service marks and service mark applications, whether Pledgor is a licensor or licensee under any such license agreement, including, but not limited to, the license agreements listed on Schedule B, and the right upon the occurrence and during the continuance of an Event of Default to use the foregoing in connection with the enforcement of Agent’s rights, for itself and the ratable benefit of Lenders under the Loan Agreement (all of the foregoing being hereinafter referred to collectively as the “Licenses”). Notwithstanding the foregoing provisions of

this Section II, the Licenses shall not include any license agreement which by its terms prohibits the grant of the security interest contemplated by this Agreement or which requires the consent to such grant of a party other than Pledgor, which consent has not been obtained; provided that Pledgor uses commercially reasonable efforts to obtain such consent.

III. Restrictions on Future Agreements. Pledgor will not, without Agent's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Pledgor further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Agent, for itself and the ratable benefit of Lenders under this Agreement or the rights associated with those Trademarks which are necessary or desirable in the operation of Pledgor's business.

IV. New Trademarks. Pledgor represents and warrants that the Trademarks and Licenses listed on Schedules A and B, respectively, include all of the trademarks, trademark registrations, trademark applications, trade names, service marks, service mark registrations, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks and service mark applications now owned or held by Pledgor. If, prior to the termination of this Agreement, Pledgor shall (I) obtain rights to any new trademarks, trademark registrations, trademark applications, trade names, service marks, service mark registrations, service mark applications or license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks or service mark applications or (ii) become entitled to the benefit of any trademark, trademark registration, trademark application, trade name, service mark, service mark registration or service mark application, the provisions of Section II shall automatically apply thereto and Pledgor shall give to Agent prompt written notice thereof. Pledgor hereby authorizes Agent to modify this Agreement by (a) amending Schedules A or B, as the case may be, to include any future trademarks, trademark registrations, trademark applications, trade names, service marks, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, service marks, service mark registrations, service mark applications and trade names that are Trademarks or Licenses under Section II, or under this Section IV, and (b) filing in the Patent and Trademark Office, in addition to and not in substitution for, this Agreement, a duplicate original of this Agreement containing on Schedules A or B thereto, as the case may be, such future trademarks, trademark applications, trade names, service marks, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, service marks, registered service marks, service mark applications and trade names which are Trademarks or Licenses under Section II or this Section IV.

V. Royalties. Pledgor hereby agrees that the use by Agent, for itself and the ratable benefit of Lenders, of the Trademarks and Licenses as authorized hereunder shall be, to the extent

permitted by applicable law, co-extensive with Pledgor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Agent to Pledgor.

VI. Nature and Continuation of Agent's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Loan Agreement terminated. At such time the rights granted to Agent, for itself and the ratable benefit of Lenders, hereunder shall also terminate.

VII. Right to Inspect; Further Assignments and Security Interests. Agent, for itself and the ratable benefit of Lenders, shall have the right, at any reasonable time and from time to time, to inspect Pledgor's premises and to examine Pledgor's books, records, and operations relating to the Trademarks, including, without limitation, Pledgor's quality control processes; provided, that in conducting such inspections and examinations, Agent shall use its best efforts not to disturb unnecessarily the conduct of Pledgor's ordinary business operations. From and after the occurrence of an Event of Default, and subject to the terms of the Loan Agreement, Pledgor agrees that Agent, for itself and the ratable benefit of Lenders, or a conservator appointed by Agent, shall have the right to establish such reasonable additional product quality controls as Agent or such conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Pledgor under the Trademarks. Pledgor agrees (I) not to sell or assign its respective interests in, or grant any license under, the Trademarks without the prior written consent of Agent, (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof, and (iii) not to change the quality of such products in any material respect without the prior written consent of Agent, which consent shall not be unreasonably withheld, delayed or conditioned.

VIII. Duties of Pledgor. Pledgor shall have the duty, to the extent desirable in the normal conduct of Pledgor's business and consistent with Pledgor's current business practices (I) to prosecute diligently any trademark applications or service mark applications that are part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, (ii) to make applications for trademarks and service marks as Pledgor deems appropriate, and (iii) to take reasonable steps to preserve and maintain all of Pledgor's rights in the trademark applications, service mark applications and trademark and service mark registrations that are part of the Trademarks. Any expenses incurred in connection with the foregoing shall be borne by Pledgor. Pledgor shall not abandon any material trademark or service mark which is the subject of a registered trademark, service mark or application therefor and which is or shall be necessary or economically desirable in the operation of the Pledgor's business. To the extent that it is commercially reasonable, Pledgor agrees to retain an experienced trademark attorney reasonably acceptable to Agent for the filing and prosecution of all such applications and other proceedings. Agent shall not have any duty with respect to the Trademarks. Without limiting the generality of the foregoing, Agent shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks and Licenses against any other parties, but may do so at its option during the continuance of an Event of Default,

and all reasonable expenses incurred in connection therewith shall be for the sole account of Pledgor and added to the Obligations secured hereby.

IX. Agent's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, and subject to the terms of the Loan Agreement, Agent, for itself and the ratable benefit of Lenders, shall have the right, but shall not be obligated, to bring suit to enforce the Trademarks and the Licenses and, if Agent shall commence any such suit, Pledgor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement. Pledgor shall, upon demand, promptly reimburse and indemnify Agent for all costs and reasonable expenses incurred by Agent in the exercise of its rights under this Section IX (including, without limitation, all attorneys' and paralegals' fees). If, for any reason whatsoever, Agent is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby.

X. Waivers. No course of dealing between Pledgor and Agent, and no failure to exercise or delay in exercising on the part of Agent any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver of any of Agent's or Lenders' rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder or under the Loan Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

XI. Agent's Exercise of Rights and Remedies Upon Default. 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, Agent may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement, or any other agreement executed in connection therewith. Without limiting the generality of the foregoing, Pledgor acknowledges and agrees that (I) the Trademarks and Licenses comprise a portion of the Collateral and Agent, for itself and the ratable benefit of Lenders, shall have the right to exercise its rights and the Lenders' rights under the Loan Agreement with respect to the Trademarks and Licenses to the same extent as with respect to all other items of Collateral described therein, and (ii) from and after the occurrence and during the continuance of an Event of Default, Agent or its nominee may use the Trademarks and Licenses to complete the manufacture of, assemble, package, distribute, prepare for sale and sell the Inventory, or otherwise in connection with the conduct of Pledgor's business.

XII. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

XIII. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Sections IV hereof or by a writing signed by the parties hereto.

XIV. Cumulative Remedies; Power of Attorney. All of Agent's rights and remedies, for itself and the ratable benefit of Lenders, with respect to the Trademarks and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Pledgor hereby irrevocably appoints Agent as Pledgor's attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise to carry out the acts described below. Subject to the terms of the Loan Agreement and except as prohibited by any contractual provisions other than such as may have been entered into for the purpose of evading this section, upon the occurrence and during the continuance of an Event of Default and the giving by Agent of written notice to Pledgor of Agent's intention to enforce its rights and claims, for itself and the ratable benefit of Lenders, against Pledgor, Pledgor hereby authorizes Agent to, in its sole discretion (i) endorse Pledgor's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Trademarks and the Licenses, (ii) take any other actions with respect to the Trademarks and the Licenses as Agent deems is in the best interest of itself and the Lenders, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks to anyone on commercially reasonable terms, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone on commercially reasonable terms. Agent shall take no action pursuant to subsection (i), (ii), (iii) or (iv) of this Section XIV without taking like action with respect to the entire goodwill of Pledgor's business connected with the use of, and symbolized by, such Trademarks. Pledgor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement shall have been terminated pursuant to Section VI. Pledgor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent or Lenders under the Loan Agreement, but rather is intended to facilitate the exercise of such rights and remedies. Agent, for itself and the ratable benefit of Lenders shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located or deemed located.

XV. Binding Effect; Benefits. This Agreement shall be binding upon Pledgor and its successors and assigns, and shall inure to the benefit of Agent and Lenders and their respective nominees, successors and assigns. Pledgor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Pledgor; provided, however that Pledgor shall not voluntarily assign its obligations hereunder without the prior written consent of Agent.

XVI. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (as distinguished from the conflicts of law provisions) and decisions of the State of Illinois.

XVII. Notices. All notices or other communications required or permitted hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.

XVIII. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

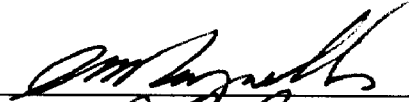
XIX. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

XX. Right of Recordal of Security Interest. Agent shall have the right, for itself and the ratable benefit of Lenders, but not the obligation, at the expense of Pledgor, to record this Agreement in the United States Trademark Office and with such other recording authorities deemed reasonable and proper by Agent, and Agent shall advise Pledgor of such recordals. Upon satisfaction in full of the Obligations and termination of the Loan Agreement, Pledgor shall have the right to effect recordal of such satisfaction or termination at the expense of Pledgor in the United States Trademark Office and with such other recording authorities deemed reasonable and proper by Pledgor. Agent and Pledgor shall cooperate to effect all such recordals hereunder.

[Signature page follows]

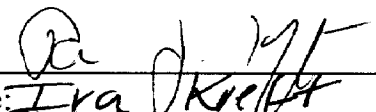
IN WITNESS WHEREOF, the parties hereto have duly executed this Trademark and License Security Agreement on the day and year first above written.

BIGG'S MANUFACTURING, INC.,
an Arizona corporation

By: 
Name: R. B. Reynolds
Title: V.P. & CEO

Accepted and agreed to as of this 29th day of
December, 2000


FLEET CAPITAL CORPORATION,
a Rhode Island corporation

By: 
Name: Ira J. Kiehl
Title: SVP

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

The foregoing Trademark and License Agreement was executed and acknowledged before me this 28 day of December, 2000, by Bruce Reynolds, personally known to me to be the VP & CFO of Biggs Manufacturing, Inc., an Arizona corporation, on behalf of such corporation.

(SEAL)



Notary Public
My commission expires 4-29-01

SCHEDULE A
to Trademark and License Security Agreement

TRADEMARKS

**LISTING OF ACTIVE DOMESTIC AND FOREIGN TRADEMARK REGISTRATIONS AND
APPLICATIONS FOR HOLLEY PERFORMANCE PRODUCTS INC. AND RELATED ENTITIES AS OF DECEMBER 18, 2000**

Mark	Owner	Country	App. No.	Filing Date	Reg. No.	Reg. Date	Goods With Class (First Use Dates)	Status
AFTERBURNER	Biggs Manufacturing, Inc.	United States	75/207,657	12/03/96	2,248,039	05/25/99	Automotive Exhaust Manifolds and Mufflers, in Class 12 (01/09/97)	Sections 8 and 15 Affidavit Due Between 05/25/2004 and 05/25/2005; Renewal Application and Affidavit of Use Due Between 05/25/2008 and 05/25/2009
AIRMASS	Biggs Manufacturing, Inc.	United States	75/342,653	08/18/97	2,288,444	10/26/99	Motor Vehicle Emission Exhaust System Components, Namely, Exhaust Manifolds for Engines, Engine Mufflers and Tailpipes, in Class 12 (11/05/97; 04/08/98)	Sections 8 and 15 Affidavit Due Between 10/26/2004 and 10/26/2005; Renewal Application and Affidavit of Use Due Between 10/26/2008 and 10/26/2009
FLOWTECH	Biggs Manufacturing, Inc.	United States	74/478,599	01/12/94	1,930,646	10/31/95	Tubular Performance Exhaust Headers, in Class 12 (03/29/94)	Sections 8 and 15 Affidavit Due Between 10/31/2000 and 10/31/2001; Renewal Application and Affidavit of Use Due Between 10/31/2004 and 10/31/2005
PURPLE HORNIES	Biggs Manufacturing, Inc.	United States	74/631,897	02/09/95	2,076,101	07/01/97	Standard Glass Pack Mufflers and Header Mount Glass Pack Mufflers for Automobile Engines, in Class 7 (01/05/96); Disclaims: PURPLE	Sections 8 and 15 Affidavit Due Between 07/01/2002 and 07/01/2003; Renewal Application and Affidavit of Use Due Between 07/01/2006 and 07/01/2007
SPEEDHITCH	Biggs Manufacturing, Inc.	United States	75/331,895	07/28/97			Vehicle Towing Accessories, Namely, Hitches and Ball Mounts, in Class 12 (12/17/96)	Subject to Opposition Proceeding Filed by Daniels Pull Plow, Inc., Opposition No. 112,383
WARLOCK	Biggs Manufacturing, Inc.	United States	75/207,658	12/03/96	2,173,826	07/14/98	Automotive Exhaust Systems Comprising Exhaust Manifolds for Engines, Engine Mufflers and Tailpipes, in Class 7 (02/00/97)	Sections 8 and 15 Affidavit Due Between 07/14/2003 and 07/14/2004; Renewal Application and Affidavit of Use Due Between 07/14/2007 and 07/14/2008

SCHEDULE B
to Trademark and License Security Agreement

LICENSES