

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Flowmaster, Inc.	03/11/2011
RECEIVING PARTY DATA	
Name:	Zions First National Bank
Street Address:	One South Main Street, Suite 200
City:	Salt Lake City
State/Country:	UTAH
Postal Code:	84133
PROPERTY NUMBERS Total: 6	
Property Type	Number
Patent Number:	6584346
Patent Number:	6936000
Patent Number:	5892186
Patent Number:	6089347
Patent Number:	5444197
Patent Number:	5351481
CORRESPONDENCE DATA	
Fax Number:	(949)720-0182
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	949-224-6282
Email:	trademark@buchalter.com
Correspondent Name:	Sandra P. Thompson
Address Line 1:	18400 Von Karman Ave., Suite 800
Address Line 4:	Irvine, CALIFORNIA 92612-0514
ATTORNEY DOCKET NUMBER:	Z5917-0002

CH \$240.00 6584346

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**PATENT
 REEL: 025949 FRAME: 0671**

NAME OF SUBMITTER:

Sandra P. Thompson

Total Attachments: 9

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PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made this 11th day of March, 2011, by and among FLOWMASTER, INC., a Nevada corporation ("Grantor"), and ZIONS FIRST NATIONAL BANK, NATIONAL ASSOCIATION, in its capacity as contractual representative for itself and the other Lenders (in such capacity, together with its successors and assigns in such capacity, "Agent").

WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement, dated as of March 11, 2011 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among B&M Racing & Performance Products Inc., a Delaware corporation ("B&M"), and Grantor, and one or more additional direct or indirect Subsidiaries of Parent (collectively, "Borrowers"), the lenders party thereto as "Lenders" (such Lenders, together with their respective successors and assigns in such capacity, each, individually, a "Lender" and, collectively, the "Lenders"), and Agent, the Lenders have agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof; and

WHEREAS, Lenders are willing to make the financial accommodations to Borrowers as provided for in the Credit Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered to Agent, for the benefit of Lenders, that certain Security Agreement, dated as of even date with the Credit Agreement (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, in order to supplement the Security Agreement, Agent and Lenders require Grantor to execute and deliver this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS. All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement or, if not defined therein, in the Credit Agreement.

2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. Grantor hereby unconditionally grants, assigns, and pledges to Agent, for the benefit of Lenders, to secure the Secured Obligations, a continuing security interest (referred to in this Patent Security Agreement as the "Security Interest") in all of Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Patent Collateral"):

(a) all of its Patents and Patent licenses to which it is a party including those referred to on Schedule I;

(b) all divisionals, continuations, continuations-in-part, reissues, reexaminations, or extensions of the foregoing; and

(c) all products and proceeds of the foregoing, including any claim by Grantor against third parties for past, present or future infringement of any Patent or any Patent exclusively licensed under any license, including the right to receive damages, or right to receive license fees, royalties, and other compensation under any license.

3. SECURITY FOR SECURED OBLIGATIONS. This Patent Security Agreement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Patent Security Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantor, or any of them, to Agent, Lenders, or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interests granted to Agent, for the benefit of Lenders, pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the Security Interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Patent Security Agreement and the Security Agreement, the Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If Grantor shall obtain rights to any new patent application or issued patent or become entitled to the benefit of any patent application or patent for any divisional, continuation, continuation-in-part, reissue, or reexamination of any existing patent or patent application, the provisions of this Patent Security Agreement shall automatically apply thereto. Grantor shall give prompt notice in writing to Agent with respect to any such new patent rights. Without limiting Grantor's obligations under this Section, Grantor hereby authorizes Agent unilaterally to modify this Patent Security Agreement by amending Schedule I to include any such new patent rights of Grantor. Notwithstanding the foregoing, no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Patent Security Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Patent Security Agreement. Delivery of an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Patent Security Agreement. Any party delivering an executed counterpart of this Patent Security Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Patent Security Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of

this Patent Security Agreement.

7. **CONSTRUCTION.** This Patent Security Agreement is a Loan Document. Unless the context of this Patent Security Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms “includes” and “including” are not limiting, and the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or”. The words “hereof”, “herein”, “hereby”, “hereunder”, and similar terms in this Patent Security Agreement refer to this Patent Security Agreement as a whole and not to any particular provision of this Patent Security Agreement. Section, subsection, clause, schedule, and exhibit references herein are to this Patent Security Agreement unless otherwise specified. Any reference in this Patent Security Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights.

8. **THE VALIDITY OF THIS PATENT SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

9. **THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS PATENT SECURITY AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE CITY OF NEW YORK, STATE OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT’S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. AGENT AND GRANTOR WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 9.**

10 **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AGENT AND GRANTOR HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. AGENT AND GRANTOR REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND**


EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS PATENT SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement to be executed and delivered as of the day and year first above written.

GRANTOR:

FLOWMASTER, INC.,
a Nevada corporation

By: 
Name: Brian Appelgate
Title: President

[Signatures continue on the following page.]

Patent Security Agreement

ACCEPTED AND ACKNOWLEDGED BY:

AGENT:

**ZIONS FIRST NATIONAL BANK,
NATIONAL ASSOCIATION**

By: 

Name: Shafique Jannohamed

Title: Senior Vice President

Patent Security Agreement

**PATENT
REEL: 025949 FRAME: 0678**

SCHEDULE I
to
PATENT SECURITY AGREEMENT

Flowmaster, Inc. US Patents

Patent No. / (Application No.)	Issue Date / (Filing Date)	Patent
6584346 / (09/766,016)	6/24/2003	Process and apparatus for selecting or designing products having sound outputs
6936000 / (10/444,429)	8/30/2005 / (5/23/2003)	Process and apparatus for selecting or designing products having sound outputs
5892186 / (08/963,110)	4/6/1999	Muffler with gas-dispersing shell and sound-absorption layers
6089347 / (09/058,735)	7/18/2000	Improved muffler with partition array
5444197 / (08/104,358)	8/22/1995	Muffler with intermediate sound-attenuating partition and method
5351481 / (07/904,645)	10/4/1994	Muffler assembly with balanced chamber and method

Patent Licenses

Foreign Patents

Flowmaster Inc. Patents					
Patent Number	Country	Investors Current Owner	Application Status	Application No.	(Filing Date) / Issue Date
MUFFLER WITH GAS-DISPERSING SHELL AND SOUND-ABSORPTION LAYERS					
13027/99	AU	Ray T. Flugger Flowmaster, Inc.	Issued	13027/99	1998-11-03
2307559	CA	Ray T. Flugger Flowmaster, Inc.	Issued		8.5.2003
1029162	EP	Ray T. Flugger Flowmaster, Inc.	Issued	98956521.3	3.23.2005
1029162	GB	Ray T. Flugger Flowmaster, Inc.	Issued		
223146	MX	Ray T. Flugger Flowmaster, Inc.	Issued	PA/a/2000/004274	9/30/2004

Patent Security Agreement

BN 8303038v5

PATENT
REEL: 025949 FRAME: 0679

Flowmaster Inc. Patents					
Patent Number	Country	Investors Current Owner	Application Status	Application No.	(Filing Date) / Issue Date
504224	NZ	Ray T. Flugger Flowmaster, Inc.	Issued		
IMPROVED MUFFLER WITH PARTITION ARRAY					
52414	AU	Ray T. Flugger Flowmaster, Inc.	Issued	52414/98	10.27.1997 10.27.1997 Expires 10.27.2017
2270889	CA	Ray T. Flugger Flowmaster, Inc.	Issued		10.25.2005
975859	EP	Ray T. Flugger Flowmaster, Inc.	Issued and Validated	97947300.6	10.27.1997
975859	GB	Ray T. Flugger Flowmaster, Inc.	Issued		
335709	NZ	Ray T. Flugger Flowmaster, Inc.	Issued	20041029 20070629	10.29.2004
MUFFLER WITH INTERMEDIATE SOUND-ATTENUATING PARTITION AND METHOD					
74837/94	AU	Ray T. Flugger Flowmaster, Inc.	Issued	680678	08.08.2008
2168755	CA	Ray T. Flugger Flowmaster, Inc.	Issued		11.02.2004
1994924613	EP	Ray T. Flugger Flowmaster, Inc.	Issued and Validated	94924613.6	
9501478	JP	Ray T. Flugger Flowmaster, Inc.	Issued		
MUFFLER ASSEMBLY WITH BALANCED CHAMBER AND METHOD					
2139122	CA	Ray T. Flugger Flowmaster, Inc.	Issued		03.30.2004
HEADER ASSEMBLY FOR INTERNAL COMBUSTION ENGINE AND METHOD					
199184497 84497/91	AU	Ray T. Flugger Flowmaster, Inc.	Issued	660150	8.13.1991 8.13.1991 Expires 2011- 08-13
543910	EP	Ray T. Flugger Flowmaster, Inc.	Issued and Validated	91915383.3	8.13.1991

Patent Security Agreement

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RECORDED: 03/14/2011

PATENT
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