

6-13-03

06-19-2003

Form PTO-1595
(Rev. 10/02)

RECORD 1



DEPARTMENT OF COMMERCE
S. Patent and Trademark Office

OMB No. 0651-0027 (exp. 6/30/2005)

Tab settings ⇌ ⇌ ⇌

P/

102478357

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

1. Name of conveying party(ies):

Fila U.S.A., Inc.

2. Name and address of receiving party(ies)

Name: Madeleine L.L.C., as collateral agent
(Fila Luxembourg as Borrower)

Internal Address: _____

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

3. Nature of conveyance:

☐ Assignment

☐ Merger

☒ Security Agreement

☐ Change of Name

☐ Other _____

Street Address: 450 Park Avenue, 28th Floor

City: New York State: NY Zip: 10022

Execution Date: 6/10/03

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

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

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) _____

B. Patent No.(s) _____

Additional numbers attached? ☒ Yes ☐ No

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

Name: Josh S. Ridout, Esq.

Internal Address: _____

Paul, Hastings, Janofsky & Walker LLP

Street Address: 515 S. Flower St.,

25th Floor

City: Los Angeles State: CA Zip: 90071-2228

6. Total number of applications and patents involved: 31

7. Total fee (37 CFR 3.41).....\$ 1,200.00

☒ Enclosed

☒ Authorized to be charged to deposit account

8. Deposit account number:

16-0752

DO NOT USE THIS SPACE

9. Signature.

Josh S. Ridout

Name of Person Signing

Signature

June 13 2003

Date

Total number of pages including cover sheet, attachments, and documents: 20

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

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

06/18/2003 6TOM11 00000154 160752 0410140

01 FC:0021 40.00 DA 1200.00 DP

PATENT
REEL: 014172 FRAME: 0504

FILA U.S.A., INC.: PATENTS

PATENT	GRANT NO.
Shoe Upper	D410140
Shoe Upper	D405250
Shoe Insert	D403146
Shoe Lace	D390695
Shoe Sole	D389293
Shoe Upper	D387894
Product Display Apparatus	5662301
Elastic Insert	D385393
Shoe Upper	D384197
Speed Lace	D382392
Speed Lace	D380892
Shoe Lace Cover	D377410
Shoe Eyelets	D377114
Product Display Holder	D376058
Shoe Upper	D373460
Shoe Strap Element	D365923
Ankle Element	D358250
Side Element	D357797
Shoe Upper	D357796
Ankle Element	D357795
Speed Lace	D357576
Method of Displaying Indicia	5393372
Shoe Sole	D355754
Shoe Sole	D353708
Shoe Sole	D352385
Strap Member	D351276
Sneaker Shoe w/ Cross Strap	D350013
Shoe Upper	D346690
Shoe Upper	D339673
Shoe Upper	D339223
Shoe Insert	D330627

PATENT SECURITY AGREEMENT

This **PATENT SECURITY AGREEMENT** (this "Agreement"), dated as of June 10, 2003, is made by and between **FILA U.S.A., INC.**, a Delaware corporation ("Debtor"), in favor of **MADELEINE L.L.C.**, a New York limited liability company ("Madeleine"), as the collateral agent for the below defined Lender Group (in such capacity, together with its successors, if any, in such capacity, "Collateral Agent"), with reference to the following:

RECITALS

WHEREAS, Fila Luxembourg Sàrl, a Luxembourg public limited company ("Borrower"), Enyce Holding LLC, a Delaware limited liability company ("Enyce Holdco"), Debtor, Enyce, L.L.C., a Delaware limited liability company ("Enyce"), Fila Trading, Inc., a Delaware corporation ("Fila Trading"), Brandon One Equipment, LLC, a Delaware limited liability company ("Brandon"), and Fila Canada Inc., an Ontario Corporation ("Fila Canada") (Enyce Holdco, Debtor, Enyce, Fila Trading, Fila Luxembourg, Brandon, and Fila Canada, each a "Guarantor" and collectively, jointly and severally, the "Guarantors"), the below defined Lenders, Madeleine, as administrative agent for the below defined Lender Group (in such capacity, together with its successors, if any, in such capacity, "Administrative Agent"), and Collateral Agent have entered into that certain Financing Agreement, dated as of June 10, 2003 (as amended, restated, supplemented or otherwise modified from time to time, the "Financing Agreement"), pursuant to which the below defined Lender Group has agreed to make certain financial accommodations to Borrower;

WHEREAS, Debtor has executed and delivered to Collateral Agent that certain Security Agreement, dated as of June 10, 2003 (the "Security Agreement"), pursuant to which Debtor has granted to Collateral Agent, for the benefit of the below defined Lender Group, security interests in (among other things) all or substantially all of Debtor's general intangibles; and

WHEREAS, pursuant to the below defined Loan Documents, and as one of the conditions precedent to the obligations of the below defined Lenders under the Financing Agreement, Debtor has agreed to execute and deliver this Agreement to the Collateral Agent for filing with the below defined PTO and with any other relevant recording systems in any jurisdiction, and as further evidence of and to effectuate Collateral Agent's existing security interests in the below defined Patent Collateral.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtor hereby agrees in favor of the Collateral Agent, as follows:

1. Definitions; Interpretation.

(a) Certain Defined Terms. Capitalized words not otherwise defined herein shall have the respective meanings assigned to them in the Financing Agreement. As used in this Agreement, the following terms shall have the following meanings:

“Administrative Agent” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Agreement” shall have the meaning ascribed to such term in the preamble of this Agreement.

“Bankruptcy Code” shall mean the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended, and any successor statute.

“Borrower” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Collateral Agent” shall have the meaning ascribed to such term in the preamble of this Agreement.

“Debtor” shall have the meaning ascribed to such term in the preamble of this Agreement.

“Event of Default” means any Event of Default under the Financing Agreement.

“Financing Agreement” shall have the meaning ascribed to such term in the recitals to this Agreement.

“Guarantor” and “Guarantors” shall have the meanings ascribed to such terms in the recitals to this Agreement.

“Lender Group” shall mean, collectively, the Lenders, Administrative Agent and Collateral Agent.

“Lenders” shall mean, individually and collectively, each of the lenders identified on the signature pages of the Financing Agreement, and any other Person made a party thereto in accordance with the provisions of Section 10.07 thereof (together with their respective successors and assigns).

“Loan Documents” shall have the meaning ascribed to such term in the Financing Agreement.

"Madeleine" shall have the meaning ascribed to such term in the preamble to this Agreement.

"Patent Collateral" shall have the meaning set forth in Section 2.

"Patents" shall have the meaning set forth in Section 2.

"Proceeds" shall mean whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Patent Collateral, including "proceeds" as such term is defined in the UCC, and all proceeds of proceeds. Proceeds shall include (i) any and all accounts, chattel paper, instruments, general intangibles, cash and other proceeds, payable to or for the account of Debtor, from time to time in respect of any of the Patent Collateral, (ii) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of Debtor from time to time with respect to any of the Patent Collateral, (iii) any and all claims and payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Patent Collateral by any Person acting under color of governmental authority, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Patent Collateral or for or on account of any damage or injury to or conversion of or infringement of rights in any Patent Collateral by any Person.

"PTO" shall mean the United States Patent and Trademark Office and any successor thereto.

"Secured Obligations" means the Obligations (as defined under the Financing Agreement) and all other indebtedness and liabilities, obligations, or undertakings of any kind or description of Debtor to Collateral Agent, Administrative Agent, and/or any Lender arising out of, outstanding under, advanced or issued pursuant to, evidenced by, or in connection with the Financing Agreement, the Security Agreement, this Agreement, or any other Loan Document, including, without limitation, all unpaid principal, interest, fees, indemnification payments, expense reimbursements, and all other amounts payable thereunder or in connection therewith, whether now existing or hereafter arising, and whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and including without limitation interest, fees, and other such amounts, which would accrue and become due but for the commencement of an Insolvency Proceeding, whether or not such interest, fees, and other amounts are allowed or allowable in whole or in part in any such Insolvency Proceeding.

"Security Agreement" shall have the meaning ascribed to such term in the Recitals to this Agreement.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York.

"United States" and "U.S." shall each mean the United States of America, including all territories thereof and all protectorates thereof.

(b) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings ascribed to them in the UCC.

(c) Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) 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. References in this Agreement to "determination" by any Agent include estimates by such Agent (in the case of quantitative determinations) and beliefs by such Agent (in the case of qualitative determinations). Any reference in this Agreement or in any of the other Loan Documents to this Agreement or any of the other Loan Documents shall include all alterations, amendments, restatements, changes, extensions, modifications, renewals, replacements, substitutions, and supplements, thereto and thereof, as applicable. In the event of a direct conflict between the terms and provisions of this Agreement and the Financing Agreement, or between the terms and provisions of this Agreement and the Security Agreement, it is the intention of the parties hereto that such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict between this Agreement and the Financing Agreement that cannot be resolved as aforesaid, the terms and provisions of the Financing Agreement shall control and govern. In the event of any actual, irreconcilable conflict between this Agreement and the Security Agreement that cannot be resolved as aforesaid, the terms and provisions of this Agreement shall control and govern; provided, however, that the inclusion herein of additional obligations on the part of Debtor and supplemental rights and remedies in favor of Collateral

Agent for the benefit of the Lender Group (whether under federal law or applicable New York law), in each case in respect of the Patent Collateral, shall not be deemed a conflict with the Financing Agreement or the Security Agreement.

2. Security Interest.

(a) Assignment and Grant of Security in Respect of the Secured Obligations. To secure the prompt payment and performance of the Secured Obligations, Debtor hereby grants, assigns, transfers, and conveys to the Collateral Agent, for the benefit of the Lender Group, continuing security interests in all of Debtor's right, title and interest in, to and under the following property, whether now existing or hereafter acquired or arising or in which Debtor now has or hereafter acquires or develops an interest and wherever the same may be located (collectively, the "Patent Collateral"):

(i) all letters patent of the U.S. or any other country, all registrations and recordings thereof, and all applications for letters patent of the U.S. or any other country, owned, held, or used by Debtor in whole or in part, including all existing U.S. patents and patent applications of Debtor which are described in Schedule A or B hereto, as the same may be amended or supplemented pursuant hereto from time to time, and together with and including all patent licenses held by Debtor, including such patent licenses which are described in Schedule A or B hereto, together with all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and the inventions disclosed therein, and all rights corresponding thereto throughout the world, including the right to make, use, lease, sell and otherwise transfer the inventions disclosed therein, and all proceeds thereof, including all license royalties and proceeds of infringement suits (collectively, the "Patents");

(ii) all claims, causes of action and rights to sue for past, present and future infringement or unconsented use of any of the Patents and all rights arising therefrom and pertaining thereto;

(iii) all general intangibles (as defined in the UCC) and all intangible intellectual or other similar property of Debtor of any kind or nature, whether now owned or hereafter acquired or developed, associated with or arising out of any of the Patents and not otherwise described above; and

(iv) all products and Proceeds of any and all of the foregoing.

(b) Continuing Security Interests. Debtor hereby agrees that this Agreement shall create continuing security interests in the Patent Collateral which shall remain in effect until terminated in accordance with Section 16.

(c) Incorporation into Security Agreement. This Agreement shall be fully incorporated into the Security Agreement and all understandings, agreements and

provisions contained in the Security Agreement shall be fully incorporated into this Agreement. Without limiting the foregoing, the Patent Collateral described in this Agreement shall constitute part of the Collateral in the Security Agreement.

(d) Licenses. Debtor may grant licenses of the Patent Collateral in accordance with the terms of the Loan Documents or as otherwise agreed to by Collateral Agent in writing.

(e) Excluded Collateral. Anything contained in this Agreement to the contrary notwithstanding, the term "Patent Collateral" shall not include any rights or interests in any contract, permit, license, charter or license agreement covering personal property that are now or hereafter held by Debtor in the event that: (a) as a result of the grant of a security interest therein, Debtor's rights in or with respect to such asset would be forfeited or Debtor would be deemed to have breached or defaulted under the applicable agreement that governs such asset pursuant to restrictions contained in the applicable agreement or implied in such agreement by applicable law; and (b) any such restriction is effective and enforceable under applicable law (including, without limitation, Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of any relevant jurisdiction); provided, however, that in no event shall the foregoing be construed to exclude from the security interest created by this Agreement: (X) any and all proceeds of such assets, or (Y) such assets at any time that the restrictions in the agreement are no longer effective and enforceable or at any time that the consent of the other party to the agreement is obtained to the grant of a security interest in and to such asset in favor of Collateral Agent.

3. Further Assurances; Appointment of Collateral Agent as Attorney-in-Fact.

Debtor at its expense shall execute and deliver, or cause to be executed and delivered, to Collateral Agent any and all documents and instruments, in form and substance reasonably satisfactory to Collateral Agent, in its discretion, and take any and all action, which Collateral Agent may request from time to time, to perfect and continue the perfection or to maintain the priority of, or provide notice of the security interest in the Patent Collateral held by Collateral Agent for the benefit of the Lender Group or to otherwise accomplish the purposes of this Agreement. If Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Collateral Agent in accordance with the foregoing, Collateral Agent shall have the right, in the name of Debtor, or in the name of Collateral Agent or otherwise, without notice to or assent by Debtor, and Debtor hereby irrevocably constitutes and appoints Collateral Agent (and any of Collateral Agent's officers or employees or agents designated by Collateral Agent) as Debtor's true and lawful attorney-in-fact with full power and authority, (i) to sign the name of Debtor on all or any of such documents or instruments and perform all other acts that Collateral Agent deems necessary or advisable in order to perfect or continue the perfection of, maintain the priority or enforceability of or provide

notice of the security interest in the Patent Collateral held by Collateral Agent for the benefit of the Lender Group, and (ii) to execute any and all other documents and instruments, and to perform any and all acts and things for and on behalf of Debtor, which Collateral Agent may deem necessary or advisable to maintain, preserve and protect the Patent Collateral and to accomplish the purposes of this Agreement, including (A) upon the occurrence and during the continuance of any Event of Default, to defend, settle, adjust or institute any action, suit or proceeding with respect to the Patent Collateral, (B) upon the occurrence and during the continuation of any Event of Default, to assert or retain any rights under any license agreement for any of the Patent Collateral, including any rights of Debtor arising under Section 365(n) of the Bankruptcy Code, and (C) upon the occurrence and during the continuance of any Event of Default, to execute any and all applications, documents, papers and instruments for Collateral Agent to use the Patent Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Patent Collateral, and to assign, convey or otherwise transfer title in or dispose of the Patent Collateral. Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof, and Debtor agrees to reimburse such attorney or Collateral Agent, as applicable, in full upon demand for all expenses, including reasonable attorney's fees, incurred by such attorney or Collateral Agent in relation hereto. The power of attorney set forth in this Section 3, being coupled with an interest, is irrevocable so long as this Agreement shall not have terminated in accordance with Section 17.

4. Representations and Warranties. Debtor represents and warrants to each member of the Lender Group as follows:

(a) True and Complete List; No Other Patents. A true and correct list of all Patents owned, held (whether pursuant to a license or otherwise), or used by Debtor, in whole or in part, is set forth in Schedules A and B; *provided*, that Schedule B only lists those Patents pending as of the date hereof.

(b) Validity. Each of Debtor's Patents listed in Schedule A or B is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and each of the Patents set forth on Schedule A or B is valid and enforceable.

(c) Ownership of Patent Collateral; No Violation. (i) Debtor has rights in and good and defensible title to the Patent Collateral, (ii) Debtor is the sole and exclusive owner of the Patent Collateral, free and clear of any Liens and rights of others (other than interests created hereunder and other than Permitted Liens), including licenses, registered user agreements and covenants by Debtor not to sue third persons, and (iii) with respect to any Patents for which Debtor is either a licensor or a licensee pursuant to a license or licensing agreement regarding such Patent, each such license or licensing agreement is in full force and effect, Debtor is not in default of any of its obligations thereunder and, (A) other than the parties to such licenses or licensing agreements, or (B) in the case of any non-exclusive license or license agreement entered into by Debtor or any such licensor regarding such Patent, the parties

to any other such non-exclusive licenses or license agreements entered into by Debtor or any such licensor with any other Person, no other Person has any rights in or to any of the Patent Collateral. To the Debtor's knowledge, the past, present and contemplated future use of the Patent Collateral by Debtor has not, does not and will not infringe upon or violate any right, privilege or license agreement of or with any other Person or give any such Person the right to terminate any such right, privilege or license agreement.

(d) No Infringement; No Violation. To the Debtor's knowledge, (i) no material infringement or unauthorized use presently is being made of any of Patent Collateral by any Person, (ii) the past, present, and contemplated future use of the Patent Collateral by Debtor has not, does not and will not infringe upon or violate any right, privilege, or license arrangement of or with any other Person or give such Person the right to terminate any such license arrangement, and (iii) the execution, delivery and performance by Debtor of this Agreement do not violate any provision of law or the governing documents of Debtor or result in a breach of or constitute a default under any contract, obligation, indenture or other instrument to which Debtor is a party or by which Debtor may be bound.

(e) Powers. Debtor has the unqualified right, power and authority to pledge and to grant to Collateral Agent security interests in the Patent Collateral pursuant to this Agreement, and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person except as already obtained.

5. Covenants. So long as any of the Secured Obligations remain unsatisfied, Debtor agrees that it will:

(a) comply with all of the covenants, terms and provisions of this Agreement, the Financing Agreement and the other Loan Documents to which Debtor is a party;

(b) promptly give Collateral Agent written notice of the occurrence of any event that reasonably could be expected to have a Material Adverse Effect on (i) any of the Patents listed in Schedule A or B or (ii) the Patent Collateral, including any petition under the Bankruptcy Code filed by or against any licensor of any such Patents for which Debtor is a licensee;

(c) on a continuing basis, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, including appropriate financing and continuation statements and security agreements, and take all such action as may be necessary or may be reasonably requested by Collateral Agent, in its discretion, to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interests granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Collateral Agent to

exercise and enforce its rights and remedies hereunder with respect to the Patent Collateral. Without limiting the generality of the foregoing sentence, Debtor:

(i) hereby authorizes Collateral Agent, in its discretion, if Debtor refuses to execute and deliver, or fails timely to execute and deliver, any of the documents it is requested to execute and deliver by Collateral Agent, to modify this Agreement without first obtaining Debtor's approval of or signature to such modification by amending Schedule A or B hereof, as applicable, to include a reference to any right, title or interest in any existing material Patent Collateral or Patent Collateral acquired or developed by Debtor after the execution hereof, or to delete any reference to any right, title or interest in any Patent Collateral in which Debtor no longer has or claims any right, title or interest; and

(ii) hereby authorizes Collateral Agent, in its discretion, to file one or more financing or continuation statements, if Debtor refuses to execute and deliver, or fails timely to execute and deliver, any such amendment thereto it is requested to execute and deliver by Collateral Agent, any amendments thereto, relative to all or any portion of the Patent Collateral, without the signature of Debtor where permitted by law;

(d) comply, in all material respects, with all applicable statutory and regulatory requirements in connection with any and all of the Patent Collateral, the failure to comply with which could reasonably be expected to have a Material Adverse Effect, and give such notice of patent, prosecute such material claims, and do all other acts and take all other measures which, in Debtor's reasonable business judgment, may be necessary to preserve, protect and maintain the Patent Collateral and all of Debtor's rights therein, including diligently prosecute any material patent application pending as of the date of this Agreement or thereafter;

(e) comply with each of the terms and provisions of this Agreement and the Financing Agreement, and not enter into any agreement (for example, a license agreement) which is inconsistent with the obligations of Debtor under this Agreement and the Financing Agreement without Collateral Agent's prior written consent; and

(f) not permit the inclusion in any contract to which Debtor becomes a party of any provision that could reasonably be expected to impair or prevent the creation of a security interest in favor of Collateral Agent, for the benefit of the Lender Group, in Debtor's rights and interest in any property included within the definition of Patent Collateral acquired under such contracts.

6. Future Rights. If and when Debtor shall obtain rights to any new patentable inventions, or become entitled to the benefit of any Patent, or any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or Patent Collateral or any improvement thereof (whether pursuant to any license or otherwise), the provisions of this Agreement shall automatically apply thereto and Debtor shall give to Collateral Agent notice

thereof in accordance with Section 12.01 of the Financing Agreement. Debtor shall do all things deemed necessary or advisable by Collateral Agent, in its discretion, to ensure the validity, perfection, priority and enforceability of the security interests of Collateral Agent in such future acquired Patent Collateral. Debtor hereby authorizes Collateral Agent to modify, amend or supplement the Schedules hereto and to re-execute this Agreement from time to time on Debtor's behalf and as its attorney-in-fact to include any future Patents which are or become Patent Collateral and to cause such re-executed Agreement or such modified, amended or supplemented Schedules to be filed with the PTO.

7. Duties of Collateral Agent and the Lender Group. Notwithstanding any provision contained in this Agreement, neither Collateral Agent nor any member of the Lender Group shall have any duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to Debtor or any other Person for any failure to do so or delay in doing so. Except for the accounting for moneys actually received by Collateral Agent or any other member of the Lender Group hereunder or in connection herewith, neither Collateral Agent nor any member of the Lender Group shall have any duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Trademark Collateral.

8. Events of Default. The occurrence of any "Event of Default" under the Financing Agreement shall constitute an Event of Default hereunder.

9. Remedies. From and after the occurrence and during the continuation of an Event of Default, Collateral Agent shall have all rights and remedies available to it under the Financing Agreement and the other Loan Documents and applicable law (which rights and remedies are cumulative) with respect to the security interests in any of the Patent Collateral or any other Collateral. Debtor hereby agrees that such rights and remedies include the right of Collateral Agent as a secured party to sell or otherwise dispose of its Collateral after default, pursuant to the UCC. Debtor hereby agrees that Collateral Agent shall at all times have such royalty free licenses, to the extent permitted by law, for any Patent Collateral that is reasonably necessary to permit the exercise of any of Collateral Agent's rights or remedies upon or after the occurrence and during the continuation of an Event of Default with respect to (among other things) any asset of Debtor in which Collateral Agent has a security interest, including Collateral Agent's rights to sell or license general intangibles, inventory, tooling or packaging which is acquired by Debtor (or its successor, assignee or trustee in bankruptcy). In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the right but shall in no way be obligated to bring suit, or to take such other action as Collateral Agent deems necessary or advisable, in the name of Debtor or Collateral Agent, to enforce or protect any of the Patent Collateral, in which event Debtor shall, at the request of Collateral Agent, do any and all lawful acts and execute any and all documents required by Collateral Agent in aid of such enforcement. To the extent that Collateral Agent shall elect not to bring suit to enforce such Patent Collateral, Debtor, in the exercise of its reasonable business judgment, agrees to use all reasonable measures and its

diligent efforts, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation or violations thereof by others and for that purpose agrees diligently to maintain any action, suit or proceeding against any Person necessary to prevent such infringement, misappropriation or violation.

10. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor and Collateral Agent for the benefit of the Lender Group and their respective successors and assigns.

11. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Financing Agreement.

12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, except to the extent that the validity or perfection of the security interests hereunder in respect of the Patent Collateral are governed by federal law, in which case such choice of New York law shall not be deemed to deprive Collateral Agent of such rights and remedies as may be available under federal law.

13. Entire Agreement; Amendment. This Agreement and the other Loan Documents, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersede all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties to this Agreement. Notwithstanding the foregoing, Collateral Agent may reexecute this Agreement or modify, amend or supplement the Schedules hereto as expressly provided herein, and the terms of any such modification, amendment, supplement or supplemental Patent Security Agreement shall be deemed to be incorporated herein by this reference.

14. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party, or any other provisions of this Agreement.

15. 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 but one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original

executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

16. Security Agreement. Debtor acknowledges that the rights and remedies of Collateral Agent with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Security Agreement and all such rights and remedies are cumulative.

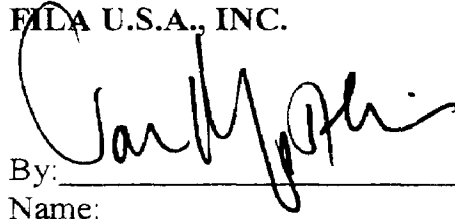
17. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

18. Termination. Upon the payment and performance in full in cash of the Secured Obligations and the full and final termination of any commitment to extend any financial accommodations under the Financing Agreement, this Agreement and the security interests granted hereunder shall terminate, and Collateral Agent shall execute and deliver such documents and instruments and take such further action reasonably requested by Debtor, at Debtor's expense, as shall be necessary to evidence termination of the security interest granted by Debtor to Collateral Agent for the benefit of the Lender Group hereunder.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement,
as of the date first above written.

FILA U.S.A., INC.



By: _____

Name:

Title:

[SIGNATURE PAGE TO FILA USA EUROPEAN FACILITY PATENT SECURITY AGREEMENT]

MADELEINE L.L.C.,
as Collateral Agent

By: _____
Name: Kevin Genda
Title: Chief Credit Officer

[SIGNATURE PAGE-TO FILA USA EUROPEAN FACILITY PATENT SECURITY AGREEMENT]

SCHEDULE A

To the Fila USA Patent Security Agreement
Patents of Debtor

See Attached

PATENT	OWNER	COUNTRY	SERIAL/APPL. NO.	APPL. DATE	PATENT/GRANT NO.	GRANT DATE	EXPIRING DATE
Shoe Upper	Fila U.S.A., Inc.	U.S.A.	29/070,121	4/30/1997	D410,140	5/25/1999	5/25/2013
Shoe Upper	Fila U.S.A., Inc.	U.S.A.	29/071,863	5/8/1997	D405,250	2/2/1999	2/9/2013
Shoe insert	Fila U.S.A., Inc.	U.S.A.	n/a	7/21/1997	D403,146	12/29/1998	12/29/2012
Shoe lace elements	Fila U.S.A., Inc.	U.S.A.	29/071,864	5/8/1997	D390,695	2/17/1998	2/17/2012
Shoe sole	Fila U.S.A., Inc.	U.S.A.	29/053,790	4/30/1996	D389,293	1/20/1998	1/20/2012
Shoe upper element	Fila U.S.A., Inc.	U.S.A.	29/055,717	4/30/1996	D387,894	12/23/1997	12/23/2011
Elastic insert for a sports shoe	Fila U.S.A., Inc.	U.S.A.	29/047,253	11/30/1995	D385,393	10/28/1997	10/28/2011
Shoe upper element	Fila U.S.A., Inc.	U.S.A.	29/053,791	4/30/1996	D384,197	9/30/1997	9/30/2011
Product display apparatus	Fila U.S.A., Inc.	U.S.A.	08/546,230	10/20/1995	5,662,301	9/2/1997	10/20/2015
Speed lace	Fila U.S.A., Inc.	U.S.A.	29/053,259	4/18/1996	D382,392	8/19/1997	8/19/2011
Speed lace	Fila U.S.A., Inc.	U.S.A.	29/054,815	5/22/1996	D380,892	7/15/1997	5/22/2011
Shoe lace elements	Fila U.S.A., Inc.	U.S.A.	29/051,857	3/5/1996	D377,410	1/21/1997	1/21/2011
Shoe eyelets	Fila U.S.A., Inc.	U.S.A.	29/046,956	11/22/1995	D377,114	1/7/1997	1/7/2011
Product display apparatus	Fila U.S.A., Inc.	U.S.A.	29/045,471	10/20/1995	D376,058	12/3/1996	12/3/2010
Shoe upper	Fila U.S.A., Inc.	U.S.A.	29/046,955	11/22/1995	D373,460	9/10/1996	9/10/2010
Shoe strap element	Fila U.S.A., Inc.	U.S.A.	29/015,542	11/19/1993	D365,923	1/9/1996	1/9/2010
Ankle element of a shoe upper	Fila U.S.A., Inc.	U.S.A.	29/010,656	7/14/1993	D358,250	5/16/1995	5/16/2009
Side element of a shoe	Fila U.S.A., Inc.	U.S.A.	29/015,530	11/19/1993	D357,797	5/2/1995	5/2/2009
Shoe upper element	Fila U.S.A., Inc.	U.S.A.	29/015,528	11/19/1993	D357,796	5/2/1995	5/2/2009
Ankle element	Fila U.S.A., Inc.	U.S.A.	29/015,434	11/17/1993	D357,795	5/2/1995	5/2/2009
Speed lace	Fila U.S.A., Inc.	U.S.A.	29/010,658	7/14/1993	D357,576	4/25/1995	4/25/2009

FILA U.S.A., INC. OWNED PATENTS

PATENT	OWNER	COUNTRY	SERIAL/APPL. NO.	APPL. DATE	PATENT/ GRANT NO.	GRANT DATE	EXPIRING DATE
Method of displaying indicia on footwear	Fila U.S.A., Inc.	U.S.A.	08/154,968	11/19/1993			
Shoe sole	Fila U.S.A., Inc.	U.S.A.	29/015,571	11/19/1993	5,393,372	2/28/1995	n/a
Shoe sole	Fila U.S.A., Inc.	U.S.A.	29/010,082	6/25/1993	D355,754	2/28/1995	2/28/2009
Shoe sole	Fila U.S.A., Inc.	U.S.A.	29/007,396	4/21/1993	D353,708	12/27/1994	12/24/2013
Strap member for shoe upper	Fila U.S.A., Inc.	U.S.A.	29/008,079	5/10/1993	D352,385	11/15/1994	11/15/2008
Sneaker shoe with cross strap	Fila U.S.A., Inc.	U.S.A.	29/008,078	5/10/1993	D351,276	10/11/1994	10/11/2008
Shoe upper	Fila U.S.A., Inc.	U.S.A.	29/003,878	1/21/1993	D350,013	8/30/1994	8/30/2008
Shoe upper	Fila U.S.A., Inc.	U.S.A.	07/923,352	7/31/1992	D346,690	5/10/1994	5/10/2008
Shoe upper	Fila U.S.A., Inc.	U.S.A.	07/923,330	7/31/1992	D339,673	9/28/1993	9/28/2007
Shoe insert	Fila U.S.A., Inc.	U.S.A.	07/812,221	12/23/1991	D339,223	9/14/1993	9/14/2007
					D330,627	11/3/1992	11/3/2006

SCHEDULE B

To the Fila USA Patent Security Agreement
Excluded Collateral

None

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RECORDED: 06/13/2003

PATENT
REEL: 014172 FRAME: 0523