

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>		NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>		LIEN
<b>CONVEYING PARTY DATA</b>		
<b>Name</b>		<b>Execution Date</b>
Spira Footwear, Inc.		05/22/2009
<b>RECEIVING PARTY DATA</b>		
<b>Name:</b>	Guaranty Bank	
<b>Street Address:</b>	8333 Douglas Ave., 10th Floor	
<b>City:</b>	Dallas	
<b>State/Country:</b>	TEXAS	
<b>Postal Code:</b>	75225	
<b>PROPERTY NUMBERS Total: 6</b>		
<b>Property Type</b>	<b>Number</b>	
Patent Number:	6282814	
Patent Number:	6665957	
Patent Number:	6865824	
Patent Number:	6886274	
Patent Number:	7159338	
Patent Number:	7219447	
<b>CORRESPONDENCE DATA</b>		
<b>Fax Number:</b>	(214)777-4249	
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
<b>Phone:</b>	214-777-4246	
<b>Email:</b>	jparks@krcl.com	
<b>Correspondent Name:</b>	James Parks	
<b>Address Line 1:</b>	1601 Elm Street, Suite 3700	
<b>Address Line 4:</b>	Dallas, TEXAS 75201	
<b>ATTORNEY DOCKET NUMBER:</b>	65520.00003.000	

OP \$240.00 6282814

**500867507**

**PATENT  
 REEL: 022722 FRAME: 0790**

NAME OF SUBMITTER:

James B. Parks

**Total Attachments: 10**

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**SECURITY AGREEMENT**  
**(With Patents, Patent Applications and Patent Licenses)**

This Security Agreement (this "*Agreement*") is entered into effective as of May 22, 2009 (the "*Effective Date*"), by SPIRA FOOTWEAR, INC., a Delaware corporation (the "*Debtor*"), whose principal place of business on file with the Delaware Secretary of State is 110 Mesa Park Drive, Suite 200, El Paso, Texas 79912, in favor of GUARANTY BANK (the "*Secured Party*"), whose address is 8333 Douglas Ave., 10<sup>th</sup> Floor, Dallas, Texas 75225. Initially capitalized terms shall have the meanings given to them in Section 1 of this Agreement.

The following introductory provisions are true and correct, form the basis of this Agreement, and are incorporated herein by this reference in their entirety:

WHEREAS, Secured Party has extended a Loan to Debtor which is evidenced by the Loan Documents; and

WHEREAS, pursuant to the Revolving Loan Agreement, Debtor has agreed to secure the Obligations described in the Revolving Loan Agreement by granting Secured Party a security interest in, to and covering the Collateral.

NOW, THEREFORE, in consideration of the premises and the agreements herein contained, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Debtor hereby agrees with Secured Party as follows:

1. Definitions. Initially capitalized terms shall have the meanings given to them in the context of this Agreement or, if undefined therein, the following terms shall have the following meanings:

"*Accounts Receivable*" means all of Debtor's accounts and accounts receivable of every nature and description, whether now existing or hereafter arising, the proceeds and products thereof including, without limitation, all notes, contracts receivable, drafts acceptances, instruments, chattel paper and any returned or repossessed goods the sale of which created any such account or accounts receivable.

"*Collateral*" means, collectively, all of Debtor's assets, including, without limitation, Accounts Receivable, general intangibles, Patent Collateral, copyrights, Inventory, machinery, goods, equipment and all other material tangible and intangible personal property now owned or hereafter acquired, including all rights of the Debtor to payment for goods and services rendered whether billed or unbilled.

"*Inventory*" means all of Debtor's inventory of every nature and description, whether now existing or hereafter arising, including all goods, merchandise, finished goods and work in process now owned or hereafter acquired and held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in Debtor's businesses and all

additions and accessions thereto and contracts with respect thereto and all documents of title evidencing or representing any part thereof, and all products and proceeds thereof including, without limitation, insurance proceeds payable by reason of loss or damage to the inventory and the proceeds of any sale or other disposition of inventory.

**"Loan"** means that certain revolving line of credit in the maximum principal amount of the lesser of the Borrowing Base or an amount not to exceed Two Million and No/100 Dollars (\$2,000,000.00) as evidenced by the Loan Agreement.

**"Loan Documents"** means the Revolving Loan Agreement, the Note, this Agreement, and such other documents evidencing, securing or pertaining to the Obligations as shall from time to time be executed and delivered to Secured Party by Debtor, or any other party, and any and all renewals, modifications, amendments, restatements, consolidations, substitutions, extensions and supplements hereof or thereof.

**"Note"** means that certain revolving promissory note of even date herewith made by Debtor payable to the order of Secured Party in the original principal sum of the lesser of the Borrowing Base or an amount not to exceed Two Million and No/100 Dollars (\$2,000,000.00 US), and all renewals, extensions, modifications and amendments thereto, and substitutions therefor.

**"Patent"** means any one of the Patents.

**"Patent Collateral"** means, collectively or individually, all of the following items or types of property, whether now owned or existing or hereafter acquired or arising: (a) each Patent (including each design patent and patent application) in which Debtor has any interest; (b) each Patent License; and (c) all proceeds of and revenues from the foregoing, including without limitation all proceeds of and revenues from any claim by Debtor against third parties for past, present or future infringement of any Patent (including without limitation any design patent and any Patent issuing from any application referred to in **Schedule 1** hereto) and all rights and benefits of Debtor under any Patent License.

**"Patent License"** means any license or other agreement, whether now or hereafter in existence, under which is granted or authorized any right with respect to any Patent or any invention now or hereafter in existence, whether patentable or not, whether a patent or application for patent is in existence on such invention or not, and whether a patent or application for patent on such invention may come into existence, including without limitation the agreements identified in **Schedule 1** hereto.

**"Patents"** means all the following: (a) all letters patent and design letters patent of the United States or any other country and all applications for letters patent and design letters patent of the United States or any other country, including applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or other country, or any political subdivision thereof, including without limitation those described

in **Schedule 1** hereto, (b) all reissues, divisions, continuations, continuations-in-part, renewals and extensions thereof, (c) all claims for, and rights to sue for, past or future infringements of any of the foregoing, and (d) all income, royalties, damages and payments now or hereafter due or payable with respect to any of the foregoing, including damages and payments for past or future infringements thereof.

**"Revolving Loan Agreement"** means that certain Revolving Loan Agreement executed of even date herewith by and between Debtor, as Borrower, and Secured Party, as Lender, thereunder, evidencing the Loan.

Unless otherwise defined herein, initially capitalized terms contained in this Security Agreement shall have the meaning given to them in the Revolving Loan Agreement.

2. **Security Interest.** Debtor hereby grants to Secured Party a first priority security interest in all of Debtor's right, title and interest in and to the Collateral.

3. **Secured Indebtedness.**

(a) The security interest granted hereby in the Collateral is given to secure Debtor's payment of: (i) the Note; (ii) all advances made by Secured Party to protect the security hereof, including advances made for or on account of the maintenance or recovery of the Collateral, together with interest thereon at the rate specified in the Note; (iii) the Obligations; and (iv) all costs and expenses incurred in connection with the collection and enforcement of the foregoing items described at Sections 3(a)(i) and 3(a)(iii), including reasonable attorneys' fees and expenses. The foregoing items described at Sections 3(a)(i) through 3(a)(iv) hereof, inclusive, are collectively referred to herein as the **"Secured Indebtedness."**

(b) Provided no Event of Default has occurred or is occurring and subject to the terms of the Loan Documents, Debtor may borrow, repay without penalty or premium, and reborrow at any time and from time to time from the effective date of the Revolving Loan Agreement to the earlier of: (i) the maturity of the Note; or (ii) the termination of Secured Party's commitment to lend under the Loan Documents. If, by virtue of payments made on the Note, the principal amount owed on the Note during its term reaches zero (\$0), Debtor agrees that all of the Collateral and all of the Loan Documents shall remain in full force and effect to secure any advances made thereafter, and Secured Party shall be fully entitled to rely on all of the Collateral and all of the Loan Documents unless an appropriate release of all or any part of the Collateral or all or any part of the Loan Documents has been executed by Secured Party. The revolving principal balance may not exceed the Committed Sum at any time.

4. **Debtor's Representations and Covenants.** Debtor hereby warrants and represents to Secured Party and covenants and agrees as follows:

(a) **Principal Place of Business.** Debtor's chief executive office and principal place of business is the same as set forth in the introductory paragraph hereof (the **"Business**

*Location*"), and Debtor will not change such Business Location. In the event Debtor intends to change its Business Location, it shall first give Secured Party at least ninety (90) days' advance written notice of such change together with Debtor's new address. Debtor shall not change the jurisdiction of its organization (Delaware) or change its organizational structure without first giving Secured Party at least ninety (90) days' advance written notice of such change.

(b) Location of Collateral and Patent Collateral. The Collateral is and will hereafter be maintained by Debtor in accordance with the terms of the Revolving Loan Agreement.

(c) Ownership. Debtor has absolute ownership of the Collateral free and clear of all liens, encumbrances and security interests, except for the security interest hereby granted to Secured Party, and Debtor warrants and will defend the same unto Secured Party against the claims and demands of all other persons and parties whomsoever. In the event Debtor develops, creates or otherwise acquires additional Patents, Patent Licenses or other property which qualifies as Patent Collateral under the Loan Documents, Debtor shall promptly (i) notify Secured Party in writing and (ii) register such new Patent Collateral with the United States Patent and Trademark Office or other required agency. Notwithstanding anything to the contrary contained herein, Debtor shall cooperate and assist Secured Party in perfecting its security interest in the new Patent Collateral.

(d) No Transfers. Debtor agrees that Debtor will not: (i) except with respect to transactions in the ordinary course of Debtor's Permitted Businesses, sell, factor, exchange, transfer or in any manner dispose of any of the Collateral or any interest therein; or (ii) permit any lien, encumbrance or security interest to attach to the Collateral except those created hereby in favor of Secured Party.

(e) Compliance. Debtor will not use or permit the Collateral to be used in violation of any law, statute or ordinance. Debtor will not, in any event, permit anything to be done that may impair the value of the Collateral or the security intended to be afforded by this Security Agreement. In the event of any infringement litigation related to the Collateral, Debtor agrees to fully cooperate with Secured Party in defense of such litigation.

(f) Further Assurances. Debtor will from time to time sign, execute, deliver and file, alone or with Secured Party, any financing statements, security agreements or other documents; procure any instruments or documents as may be reasonably requested by Secured Party; and take all further action that may be necessary or desirable, or that Secured Party may request, to confirm, perfect, preserve and protect the security interests intended to be granted hereby, and in addition, Debtor hereby authorizes Secured Party to file this Agreement or such financing statements, or both, in such locations covering the Collateral as may be deemed necessary by Secured Party without the signature of Debtor including, without limitation, the official records of the Delaware Secretary of State, the official records of the Texas Secretary of State, and the United States Patent and Trademark Office. Debtor will do all such additional and further acts or things, give such assurances and execute such documents or instruments as

Secured Party reasonably requires to vest more completely in and assure to Secured Party its rights under this Security Agreement.

(g) Filing Reproductions. At the option of Secured Party, a carbon, photographic or other reproduction of this Security Agreement or of a financing statement covering the Collateral will be sufficient as a financing statement and may be filed as a financing statement.

(h) Financing Statement Filings; Notifications. Debtor will: (i) immediately notify Secured Party of any change to a jurisdiction other than the State of Delaware as Debtor's state of organization; (ii) immediately notify Secured Party of a change in its authority to do business in Delaware or Texas; (iii) immediately notify Secured Party of any change in Debtor's name, identity or company structure; and (iv) immediately notify Secured Party of any litigation related to Debtor or the Collateral. In any notice furnished pursuant to this paragraph, Debtor will expressly state that the notice is required by this Agreement and contains facts that will or may require additional filings of financing statements or other notices for the purpose of continuing perfection of Secured Party's security interest in the Collateral.

(i) Maintenance Fees; Updates. Debtor will timely make all filings and pay all fees associated with the maintenance and renewal of the Patent Collateral and will, not less than one (1) time per year, provide Secured Party with written updates as to the status of the current Patent Collateral.

(j) Entirety of Patent Collateral. The Patent Collateral listed on **Schedule 1** represents the entirety of the Patent Collateral owned in whole or in part by Debtor. No other Patent Collateral other than that listed on **Schedule 1** is necessary or required for Debtor to operate its Permitted Businesses.

5. Secured Party's Expenditures. If Debtor fails to make any expenditure or pay any sum necessary (in the reasonable judgment of Secured Party) to: (a) keep and maintain proper records and books of account related to the Collateral; or (b) discharge any lien, encumbrance, levy, security interest or other charge on the Collateral; then, Secured Party may but will not be required to make any expenditure for such purpose or purposes, and all sums so expended will be payable on demand, will bear interest at the rate specified in the Note and all such sums and interest will constitute Secured Indebtedness and be secured hereby. Debtor will pay all costs of filing any financing, continuation or termination statements with respect to the security interest granted hereby in the Collateral.

6. Default; Remedies. On the occurrence of an Event of Default under the Revolving Loan Agreement, or on the occurrence of a default under any of the Loan Documents, subject to any notice and cure provisions contained therein, if any, Secured Party may, at its option and without notice to any party, declare all or any portion of the Secured Indebtedness to be immediately due and payable and may otherwise proceed to enforce payment of the Secured Indebtedness, to foreclose Secured Party's security interest in the Collateral pursuant to the provisions of the UCC, and to exercise any or all other rights and remedies provided herein and

in the other Loan Documents, and by the UCC or otherwise available at law or in equity. Notwithstanding anything to the contrary contained herein or in the Loan Documents, Debtor hereby irrevocably constitutes and appoints Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorney in fact with full power and authority in the name of Debtor or in its name, from time to time, in Secured Party's discretion, so long as any Event of Default has occurred and is continuing, to take with respect to the Collateral any and all appropriate action which a reasonably prudent secured party might take with respect to the Collateral and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Agreement and to accomplish the purposes hereof. All remedies hereunder are cumulative, and any indulgence or waiver by Secured Party will not be construed as an abandonment of any other right hereunder or of the power to enforce the same or another right at a later time. Whether Secured Party elects to exercise any other rights or remedies under this Agreement or applicable law, Secured Party will be entitled to have a receiver appointed to take possession of the Collateral, without notice, which notice Debtor hereby waives, notwithstanding anything contained in this Agreement or any law heretofore or hereafter enacted.

7. Cross Collateralization; Cross Default. Debtor hereby grants to Secured Party a security interest in the Collateral to secure Debtor's payment and performance the Obligations and any and all other obligations to, loans to and contracts or agreements with or to Secured Party, whether now existing for arising in the future (collectively, "***Payment and Performance Obligations***"). Debtor acknowledges and agrees that an Event of Default under the Revolving Loan Agreement, the Note, this Agreement or any other Loan Documents, or an event of default under any documents evidencing any Payment and Performance Obligations shall be and Event of Default under the Revolving Loan Agreement and under each of the Payment and Performance Obligations. Debtor agrees that upon the occurrence of an Event of Default or any default under any of the Payment and Performance Obligations, Secured Party may, in addition to any other rights or remedies available to it pursuant to this Agreement and the other Loan Documents, or at law or in equity, take such action, without further notice or demand, as Secured Party deems advisable to protect and enforce its rights against Debtor and in and to the Collateral.

8. Secured Party's Duties. The powers conferred upon Secured Party by this Security Agreement are solely to protect its interest in the Collateral and will not impose any duty upon Secured Party to exercise any such powers. Secured Party will be under no duty whatsoever to make or give any presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor, or other notice or demand in connection with any of the Collateral or the Secured Indebtedness, or to take any steps necessary to preserve any rights against prior parties. Secured Party will not be liable for failure to collect or realize upon any or all of the Secured Indebtedness or Collateral, or for any delay in so doing, nor will Secured Party be under any duty to take any action whatsoever with regard thereto.

9. Continuing Agreement. This is a continuing agreement and the grant of a security interest hereunder will remain in full force and effect and all the rights, powers and remedies of Secured Party hereunder will continue to exist until all of the Secured Indebtedness is paid in full and the terms of all of the Payment and Performance Obligations have been fully satisfied.



10. Preservation of Liability. Neither this Security Agreement nor the exercise by Secured Party of (or the failure to so exercise) any right, power or remedy conferred herein or by law will be construed as relieving any person liable on the Secured Indebtedness from liability on the Secured Indebtedness and for any deficiency thereon.

11. Successors and Assigns. The covenants and agreements herein contained by or on behalf of Debtor will bind Debtor, and Debtor's legal representatives, successors and assigns and will inure to the benefit of Secured Party and Secured Party's successors and assigns.

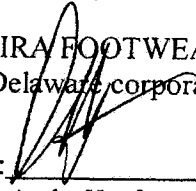
12. Invalidity. If any provision hereof will for any reason be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect any other provision hereof.

13. Choice of Law; Venue. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Texas and applicable federal law. This Security Agreement is performable solely in Dallas County, Texas, and Debtor hereby unconditionally submits and agrees to the jurisdiction of any appropriate Court in Dallas County, Texas, wherein venue hereunder shall exclusively lie.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page to this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages.

**DEBTOR:**

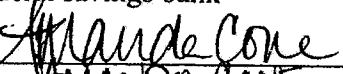
SPIRA FOOTWEAR, INC.,  
a Delaware corporation

By:   
\_\_\_\_\_  
Andy Krafzur, President

*Acknowledged:*

**SECURED PARTY:**

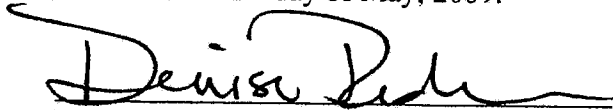
GUARANTY BANK  
a federal savings bank

By:   
Name: AMANDA CONE  
Title: Senior Vice President

STATE OF TEXAS           §  
  §       ss.:  
COUNTY OF DALLAS       §

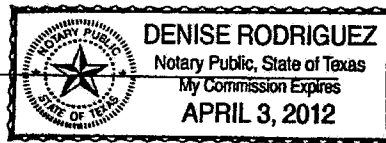
BEFORE ME, on this day personally appeared Andy Krafsur, known to me to be the person signing the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Subscribed to and sworn to before me this 22<sup>nd</sup> day of May, 2009.



Notary Public in and for the  
State of Texas

Printed Name: \_\_\_\_\_



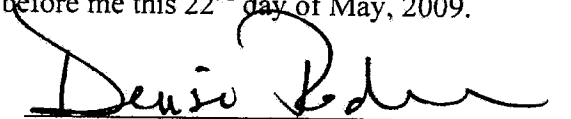
My Commission Expires:

\_\_\_\_\_

STATE OF TEXAS           §  
  §       ss.:  
COUNTY OF DALLAS       §

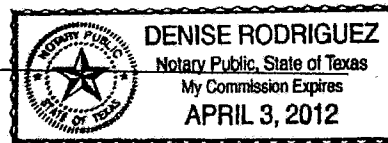
BEFORE ME, on this day personally appeared Amanda Cone, known to me to be the person signing the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Subscribed to and sworn to before me this 22<sup>nd</sup> day of May, 2009.



Notary Public in and for the  
State of Texas

Printed Name: \_\_\_\_\_



My Commission Expires:

\_\_\_\_\_

**Schedule 1**

**PATENTS**

A. U.S. Patents and Design Patents

<u>Application No.</u>	<u>Patent No.</u>	<u>Issue Date</u>	<u>Title</u>
09/419,330	6,282,814	September 4, 2001	Spring Cushioned Shoe
09/982,520	6,665,957	December 23, 2003	Fluid Flow System for Spring-Cushioned Shoe
10/436,935	6,865,824	March 15, 2005	Fluid Flow System for Spring-Cushioned Shoe
10/370,638	6,886,274	May 3, 2005	Spring Cushioned Shoe
11/047,446	7,159,338	January 9, 2007	Fluid Flow System for Spring-Cushioned Shoe
11/047,445	7,219,447	May 22, 2007	Spring Cushioned Shoe

B. U.S. Patent Applications

<u>Serial No.</u>	<u>Date Filed</u>	<u>Title</u>
None		

C. Foreign Patent Applications

<u>Serial No.</u>	<u>Date Filed</u>	<u>Title</u>
None		

EXCLUSIVE PATENT LICENSES

<u>Name of Agreement</u>	<u>Parties</u>	<u>Date of Agreement</u>	<u>Subject Matter</u>
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None			
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