

# 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
Skullcandy, Inc.	08/31/2010
RECEIVING PARTY DATA	
Name:	PNC Bank, National Association
Street Address:	500 First Avenue
Internal Address:	Commercial Loan Center
City:	Pittsburgh
State/Country:	PENNSYLVANIA
Postal Code:	15219
PROPERTY NUMBERS Total: 3	
Property Type	Number
Application Number:	12138331
Patent Number:	7187948
Patent Number:	7395090
CORRESPONDENCE DATA	
Fax Number:	(202)408-3141
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	202-408-3121 x2348
Email:	jpaterso@cscinfo.com
Correspondent Name:	Corporation Service Company
Address Line 1:	1090 Vermont Avenue NW, Suite 430
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20005
ATTORNEY DOCKET NUMBER:	497409
NAME OF SUBMITTER:	Jean Paterson
Total Attachments: 16	

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**PATENT**  
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## TRADEMARK AND PATENT SECURITY AGREEMENT

THIS TRADEMARK AND PATENT SECURITY AGREEMENT (the "Agreement") made as of this 31st day of August, 2010 by **Skullcandy, Inc.** ("Grantor"), in favor of **PNC Bank, National Association**, in its capacity as administrative agent for the Lenders ("Administrative Agent").

### W I T N E S S E T H

WHEREAS, Grantor (together with any Person joined as borrower to the Loan Agreement from time to time, the "Borrowers" and each a "Borrower"), has entered into that certain Revolving Credit and Security Agreement dated the date hereof with the financial institutions party thereto from time to time as lenders (collectively, the "Lenders"), UPS Capital Corporation, a Delaware corporation, as foreign collateral agent for the Lenders ("Foreign Collateral Agent") and Administrative Agent (together with the Foreign Collateral Agent, collectively, the "Agents") (as same may be amended, restated, supplemented or modified from time to time, the "Loan Agreement") providing for the extensions of credit to be made to Borrowers by Lenders;

WHEREAS, as security for the Obligations under the Loan Agreement, Grantor has granted to Administrative Agent, for the benefit of Lenders, a security interest in substantially all of the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired trademarks and patents, together with the goodwill of the business symbolized by Grantor's trademarks and patents and all products and proceeds thereof, to secure the payment of all amounts owing by Borrowers under the Loan Agreement;

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

1. Incorporation of Loan Agreement. The Loan Agreement and the terms and provisions thereof are hereby incorporated in their entirety by this reference. All terms capitalized but not otherwise defined herein shall have the same meanings ascribed to them in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the payment and performance of the Obligations under the Loan Agreement, Grantor hereby grants to Administrative Agent, for its benefit and the benefit of Lenders, and hereby reaffirms its prior grant pursuant to the Loan Agreement of a continuing security interest in Grantor's entire right, title and interest in and to the following whether now owned or existing or hereafter created, acquired or arising:

(i) each trademark, trademark application, patent and patent application listed on Schedule 1 annexed hereto (such trademarks and trademark applications, the "Trademarks" and such patents and patent applications, the "Patents"), together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(ii) all products and proceeds of the forgoing, including without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or

dilution of any Trademark or Patent, or (b) injury to the goodwill associated with any Trademark.

3. Covenants. Except as otherwise permitted under the Loan Agreement, Grantor agrees not to sell, license, grant any option, assign or further encumber its rights and interest in the Trademarks or Patents without prior written consent of Administrative Agent.

4. Representations and Warranties. Grantor hereby represents and warrants that the Trademarks and Patents listed on Schedule I attached hereto constitute all trademarks, trademark applications, patents and patent applications owned or registered to Grantor as of the date of this Agreement.

5. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any part hereto may execute this Agreement by signing and delivering one or more counterparts. Delivery by facsimile or electronic transmission shall bind the parties hereto.


6. Governing Law. This Agreement and the transactions contemplated hereby, and all disputes between the parties under or relating to this Agreement or the facts or circumstances leading to its execution, whether in contract, tort or otherwise shall be construed in accordance with and governed by the laws (including statutes of limitation) of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

7. Termination. This Agreement and the Liens and security interests granted hereunder shall automatically terminate upon a termination of the Loan Agreement pursuant to and in accordance with Article XIII thereof.

[Signatures to appear on following page]

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

SKULLCANDY, INC.

By:   
Name: Mitch Edwards  
Title: Chief Financial Officer

Agreed and Accepted  
As of the Date First Written Above

PNC BANK, NATIONAL ASSOCIATION,  
as Administrative Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO TRADEMARK AND PATENT SECURITY AGREEMENT]

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

**SKULLCANDY, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Agreed and Accepted  
As of the Date First Written Above

**PNC BANK, NATIONAL ASSOCIATION,**  
as Administrative Agent

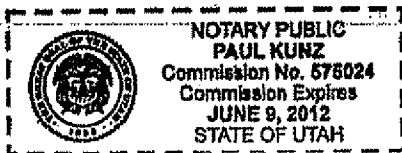
By: *[Signature]*  
Name: *Lisa Westrafe*  
Title: *Vice President*

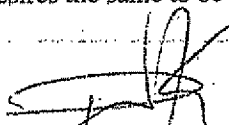
[SIGNATURE PAGE TO TRADEMARK AND PATENT SECURITY AGREEMENT]

## COMPANY ACKNOWLEDGMENT

UNITED STATES OF AMERICA :  
STATE OF : SS  
COUNTY OF :

On this 25<sup>th</sup> of August, 2010, before me personally appeared Mitch Edwards  
to me known and being duly sworn, deposes and says that s/he is authorized to sign on behalf of  
Skull Candy, a CEO, that s/he signed the Agreement  
thereto pursuant to the authority vested in him/her by law; that the within Agreement is the  
voluntary act of such company; and s/he desires the same to be recorded as such.






  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 6/9/2012


[ACKNOWLEDGEMENT TO TRADEMARK AND PATENT SECURITY AGREEMENT]


**SCHEDULE 1**

**Trademarks**



Title	Type	Jurisdiction	Current Registrant	Reg. No. / (App. No.)	Reg. Date / (App. Date)	Renewal Due Date	Status
	TM	USA	Skullcandy, Inc.	3,168,754	11/7/2006	11/7/2011 (Sect. 8 & 15)	Registered
SKULLCANDY	TM	USA	Skullcandy, Inc.	3,168,695	11/7/2006	11/7/2011 (Sect. 8 & 15)	Registered
	TM	USA	Skullcandy, Inc.	3,794,944	5/25/2010	5/25/2016 (Sect. 8 & 15)	Registered
	TM	USA	Skullcandy, Inc.	(77/661,046)	(2/2/2009)	n/a	Pending
SKULLCANDY	TM	USA	Skullcandy, Inc.	3788707	5/11/2010	5/11/2016 (Sect. 8 & 15)	Registered
2XL	TM	USA	Skullcandy, Inc.	3782711	4/27/2010	4/27/2016 (Sect. 8 & 15)	Registered

Title	Type	Jurisdiction	Current Registrant	Reg. No. / (App. No.)	Reg. Date / (App. Date)	Renewal Due Date	Status
	TM	USA	Skullcandy, Inc.	(77/615,571)	(11/17/2008)	n/a	Pending
INK'D	TM	USA	Skullcandy, Inc.	(77/615,551)	(11/17/2008)	n/a	Pending
INK'D BY SKULLCANDY	TM	USA	Skullcandy, Inc.	(77/615,547)	(11/17/2008)	n/a	Pending
SKULLCANDY	TM	USA	Skullcandy, Inc.	(77/655,458)	(1/23/2009)	n/a	Pending
2XL	TM	USA	Skullcandy, Inc.	(77/579,854)	(9/26/2008)	n/a	Pending
2XL	TM	USA	Skullcandy, Inc.	(77/579,851)	(9/26/2008)	n/a	Pending
2XL	TM	USA	Skullcandy, Inc.	(77/579,856)	(9/26/2008)	n/a	Pending

Title	Type	Jurisdiction	Current Registrant	Reg. No. / (App. No.)	Reg. Date / (App. Date)	Renewal Due Date	Status
SKULLCANDY	TM	USA	Skullcandy, Inc.	3,726,304	12/15/2009	12/15/2015 (Sect. 8 & 15)	Registered
	TM	USA	Skullcandy, Inc.	3,381,053	2/12/2008	2/12/2014 (Sect. 8 & 15)	Registered
SKULLCANDY	TM	USA	Skullcandy, Inc.	3,381,050	2/12/2008	2/12/2014 (Sect. 8 & 15)	Registered

Title	Type	Jurisdiction	Current Registrant	Reg. No. / (App. No.)	Reg. Date / (App. Date)	Renewal Due Date	Status
FLESH	TM	USA	Skulcandy, Inc.	(77/204,408)	(6/12/2007)	n/a	Pending
2XL	TM	USA	Skulcandy, Inc.	(77/411,725)	(3/3/2008)	n/a	Abandoned
INK'D	TM	USA	Skulcandy, Inc.	3,506,161	9/23/2008	9/23/2014 (Sect. 8 & 15)	Registered

**SCHEDULE 1 CONT'D**

**Patents**

	Type	Jurisdiction	Current Registrant/Assignee	Owner Address	Reg. No. / (App. No.)	Reg. Date / (App. Date)
ARTICLE OF MANUFACTURE INTEGRATED WITH MUSIC AND TELEPHONIC COMMUNICATION DEVICES	Patent	United States	Skullcandy, Inc.	1442 Ute Blvd Suite 250, Park City, UT 84098-7632	(12,138,331)	(6/12/2008)
PERSONAL PORTABLE INTEGRATOR FOR MUSIC PLAYER AND MOBILE PHONE	Patent	United States	Skullcandy, Inc.	1910 Prospector Ave. Suite 301, Park City, UT 84098	7,187,948	3/6/2007
PERSONAL PORTABLE INTEGRATOR FOR MUSIC PLAYER AND MOBILE PHONE	Patent	United States	Skullcandy, Inc.	1910 Prospector Ave. Suite 301, Park City, UT 84098	7,395,090	7/1/1998

## POWER OF ATTORNEY

SKULLCANDY, INC., a Delaware corporation (the "Grantor"), hereby authorizes PNC BANK, NATIONAL ASSOCIATION, its successors and assigns, and any officer or agent thereof (collectively, "Administrative Agent"), as administrative agent for the Lenders under that certain Revolving Credit and Security Agreement among Administrative Agent, UPS Capital Corporation, as foreign collateral agent for the Lenders ("Foreign Collateral Agent"), the financial institutions which are now or which hereafter become a party thereto as lenders (the "Lenders") and Grantor, dated as of August 31, 2010 (as the same may hereafter be amended, modified, restated or replaced from time to time, the "Loan Agreement"), following the occurrence and during the continuance of an Event of Default (as defined in the Loan Agreement) as the true and lawful attorney-in-fact of Grantor, with the power to endorse the name of Grantor on all applications, assignments, documents, papers and instruments necessary for Administrative Agent to enforce and effectuate its rights under that certain Trademark and Patent Security Agreement between Grantor and Administrative Agent dated as of August 31, 2010 (as it may hereafter be supplemented, restated, superseded, amended or replaced, the "Trademark and Patent Security Agreement"), including, without limitation, to execute on behalf of Grantor a supplement to the Trademark and Patent Security Agreement, to use the Trademarks and Patents or to grant or issue any exclusive or non-exclusive license under the Trademarks or Patents to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or Patents to anyone else, in each case subject to the terms of the Trademark and Patent Security Agreement. Nothing herein contained shall obligate Administrative Agent to use or exercise any rights granted herein.


This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to and subject to the provisions of the Loan Agreement.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done following the occurrence and during the continuance of an Event of Default by virtue hereof and in accordance with the terms of the Trademark and Patent Security Agreement, the Loan Agreement and the Other Documents.

This Power of Attorney shall be irrevocable for the life of the Trademark and Patent Security Agreement.

IN WITNESS WHEREOF, Grantor has executed this Power of Attorney as of the  
date stated above.

SKULLCANDY, INC.

By:   
Name: Mitch Edwards  
Title: Chief Financial Officer

[POWER OF ATTORNEY TO TRADEMARK AND SECURITY AGREEMENT]




COMPANY ACKNOWLEDGMENT

UNITED STATES OF AMERICA :  
STATE OF : SS  
COUNTY OF :

On this 25<sup>th</sup> of August, 2010, before me personally appeared Mitch Edwards, to  
me known and being duly sworn, deposes and says that s/he is authorized to sign on behalf  
of Skull Candy, a CFO, that s/he signed the Agreement thereto  
pursuant to the authority vested in him by law; that the within Agreement is the voluntary act of  
such company; and s/he desires the same to be recorded as such.



NOTARY PUBLIC  
PAUL KUNZ  
Commission No. 575024  
Commission Expires  
JUNE 9, 2012  
STATE OF UTAH

  
Notary Public  
My Commission Expires: 6/9/2012

(ACKNOWLEDGEMENT TO POWER OF ATTORNEY TO TRADEMARK AND PATENT  
SECURITY AGREEMENT)