

**RECORDATION FORM COVER SHEET
PATENTS ONLY**

To the director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

<p>1. Name of conveying party(ies)/Execution Date(s):</p> <p align="center">K-Swiss Inc. 31248 Oak Crest Drive Westlake Village, California 91361</p> <p>Execution Date(s) <u>April 25, 2012</u></p> <p>Additional names of conveying parties attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies)</p> <p>Name: <u>Wells Fargo Bank, National Association, as Agent</u></p> <p>Internal Address: _____</p> <p>Street Address: <u>2450 Colorado Avenue, Suite 3000W</u></p> <p>City: <u>Santa Monica</u></p> <p>State: <u>CA</u></p> <p>Country: <u>USA</u> Zip: <u>90404</u></p> <p>Additional names, addresses, or citizenship attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Government Interest <input type="checkbox"/> Executive Order 9424, confirmatory License <input type="checkbox"/> Other _____</p>	<p>4. Application or patent number(s) <input type="checkbox"/> This document is being filed together with a new application.</p> <p>A. Patent Application No. (s) <u>See Attached Exhibit I</u></p> <p>B. Patent No.(s) <u>See Attached Exhibit I</u></p> <p>Additional numbers attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>5. Name address of party to whom correspondence concerning document should be mailed:</p> <p>Name: <u>Susan O'Brien</u></p> <p>Internal Address: <u>CT Lien Solutions</u></p> <p>Street Address: <u>187 Wolf Road, Suite 101</u></p> <p>City: <u>Albany</u></p> <p>State: <u>New York</u> Zip: <u>12205</u></p> <p>Phone Number: <u>800-342-3676</u></p> <p>Fax Number: <u>800-962-7049</u></p> <p>Email Address: <u>cls-udsalban@wolterskluwers.com</u></p>	<p>6. Total number of applications and registrations involved: <u>13</u></p> <p>7. Total fee (37 CFR 1.21(h) & 3.41) \$ <u>520.00</u></p> <p><input type="checkbox"/> Authorized to be charged by credit card <input type="checkbox"/> Authorized to be charged to deposit account <input type="checkbox"/> Enclosed <input type="checkbox"/> None required (government interest not affecting title)</p>
<p>9. Signature: <u><i>Mercedes Farinas</i></u></p> <p align="center">Signature</p> <p align="center">Mercedes Farinas Name of Person Signing</p>	<p>8. Payment information:</p> <p>a. Credit Card Last 4 Numbers <u>1640</u> Expiration Date <u>10/13</u></p> <p>b. Deposit Account Number _____ Authorized User Name: _____</p> <p align="right"><u>5/7/12</u> Date</p> <p>Total number of pages including cover sheet, attachments, and document. <u>10</u></p>

Documents to be recorded (including cover sheet) should be faxed to (703) 305-6995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

OP \$560.00 1294523

Additional Conveying Parties:

K-Swiss Sales Corp.
K-Swiss Direct Inc.
K-Swiss Pacific Inc.
Royal Elastics Inc.
Royal Elastics, LLC
K-Swiss NS Inc.
31248 Oak Crest Drive
Westlake Village, California 91361

SCHEDULE I
to
PATENT SECURITY AGREEMENT
Patents

Grantor	Country	Patent	Application/ Patent No.	Filing Date
K-SWISS INC.	USA	Ankle Strap (Shoe with Ankle Strap Protector)	5,771,608	9/17/96
K-SWISS INC.	USA	Blades Sole (Shoe sole having forwardly and rearwardly facing protrusions)	12/945,237 (Pending)	11/12/10
K-SWISS INC.	USA	Glaciator (Footwear with enhanced temperature control)	6,564,475	12/22/00
K-SWISS INC.	USA	Infant shoe having pivoting heel portion	11/970,984 (Pending)	1/8/08
K-SWISS INC.	USA	MiSoul midsole	12/471032 (Pending)	5/22/09
K-SWISS INC.	USA	Shock spring cushioning (Athletic shoe having spring cushioned midsole)	5,782,014	6/25/96
K-SWISS INC.	USA	Replaceable to cap (Shoe having a replaceable portion and replacement method)	7,739,809	9/12/06
K-SWISS INC.	USA	Shoe outsole having semicircular protrusions	12/117,824 (Pending) Patent No. 8,161,669	5/9/08 Will Issue 4/24/12
K-SWISS INC.	USA	Ornamental design for footwear (The ornamental design for footwear, as shown and described)	D428,238	3/26/99
K-SWISS INC.	USA	Ornamental design for footwear (The ornamental design for footwear, as shown and described)	D446,000	2/15/00
K-SWISS INC.	USA	Ornamental design for footwear (The ornamental design for footwear, as shown and described)	D426,372	3/16/99

Grantor	Country	Patent	Application/ Patent No.	Filing Date
		shown and described)		
K-SWISS INC.	USA	Athletic/Leisure Shoe	D422,128	4/4/00
K-SWISS INC.	USA	Shoe outsole having tubes	12/790,386	5/28/10

Patent Licenses

- 1) Web Patent License Agreement between K-Swiss Inc. and Kelora Systems dated October 19, 2011.
- 2) Patent License and Settlement Agreement between K-Swiss Inc. and Cushion Technologies, L.L.C. dated August 9, 2007.

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made this 25th day of April, 2012, by and among the Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Wells Fargo"), in its capacity as agent for the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent").

WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement dated as of April 25, 2012 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement") by and among K-Swiss Inc. ("Parent"), K-Swiss Sales Corp. ("KS Sales"), K-Swiss Direct Inc. ("KS Direct" and, together with Parent, KS Sales and any person that may from time to time become a party thereto as a borrower, each individually a "Borrower" and collectively, "Borrowers"), certain affiliates of 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 Lender Group has agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof; and

WHEREAS, the members of Lender Group and the Bank Product Providers are willing to make the financial accommodations to Borrowers as provided for in the Credit Agreement, the other Loan Documents, and the Bank Product Agreements, but only upon the condition, among others, that the Grantors shall have executed and delivered to Agent, for the benefit of the Lender Group and the Bank Product Providers, that certain Guaranty and Security Agreement, dated as of April 25, 2012 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Guaranty and Security Agreement"); and

WHEREAS, pursuant to the Guaranty and Security Agreement, Grantors are required to execute and deliver to Agent, for the benefit of the Lender Group and the Bank Product Providers, this Patent Security Agreement;

NOW, THHEREFORE 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, each 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 Guaranty and Security Agreement or, if not defined therein, in the Credit Agreement, and this Patent Security Agreement shall be subject to the rules of construction set forth in Section 1(b) of the Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. Each Grantor hereby unconditionally grants, assigns, and pledges to Agent, for the benefit of each

member of the Lender Group and each of the Bank Product Providers, to secure the Secured Obligations, a continuing security interest (referred to in this Patent Security Agreement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Patent Collateral"):

all of its Patents and Patent Intellectual Property Licenses to which it is a party including those referred to on Schedule I;

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

all products and proceeds of the foregoing, including any claim by such Grantor against third parties for past, present or future infringement of any Patent or any Patent exclusively licensed under any Intellectual Property License, including the right to receive damages, or right to receive license fees, royalties, and other compensation under any Patent Intellectual Property 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 Grantors, or any of them, to Agent, the other members of the Lender Group, the Bank Product Providers or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any 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 the Lender Group and the Bank Product Providers, pursuant to the Guaranty and Security Agreement. Each 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 Guaranty and 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 Guaranty and Security Agreement, the Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If any 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. Grantors shall give prompt notice in writing to Agent with respect to any such new patent rights. Without limiting Grantors' obligations under this Section, Grantors hereby authorize Agent unilaterally to modify this Patent Security Agreement by amending Schedule I to include any such new patent rights of each 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 is a Loan Document. 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. CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE PROVISION. THIS PATENT SECURITY AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 25 OF THE SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, MUTATIS MUTANDIS.

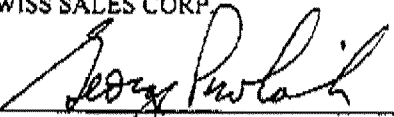
IN WITNESS WHEREOF, the parties hereto have caused this Patent Security Agreement to be executed and delivered as of the day and year first above written.

GRANTORS:

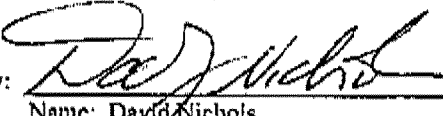
K-SWISS INC.

By: 
Name: George Powlick
Title: Chief Financial Officer

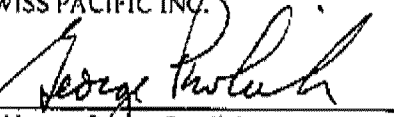
K-SWISS SALES CORP.

By: 
Name: George Powlick
Title: Vice President

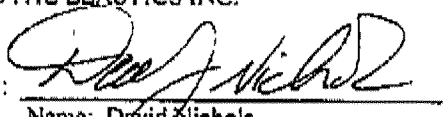
K-SWISS DIRECT INC.

By: 
Name: David Nichols
Title: President

K-SWISS PACIFIC INC.

By: 
Name: George Powlick
Title: Assistant Secretary


ROYAL ELASTICS INC.

By: 
Name: David Nichols
Title: President

ROYAL ELASTICS, LLC

By its Manager:

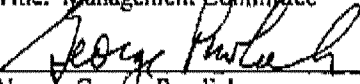
K-SWISS INC.

By: 
Name: Steven Nichols
Title: Management Committee

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By: 

Name: David Nichols
Title: Management Committee

By: 

Name: George Powlick
Title: Management Committee

K-SWISS NS INC.

By: 


Name: Cheryl Kuchinka
Title: President

Patent Security Agreement

PATENT
REEL: 028198 FRAME: 0497

ACCEPTED AND ACKNOWLEDGED BY:

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Agent

By: 
Name: Grant Pritchard
Title: Vice President

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