

SCHEDULE A
TO
RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TRADE NAMES, REGISTERED TRADEMARKS, TRADEMARK APPLICATIONS,
REGISTERED SERVICE MARKS AND SERVICE MARK APPLICATIONS

Country	Mark	Status	App No	App Date	Reg No	Reg Date
USA	Hook Device	Registered	77/265639	8/28/2007	4002659	7/26/2011
USA	Hook Device	Registered	77/265640	8/28/2007	3544582	12/9/2008
USA	Hook Device	Registered	77/197425	6/5/2007	3441978	6/3/2008
USA	Hook Device	Registered	77/602662	10/29/2008	3626900	5/26/2009
USA	Hook Device	Registered	78/593800	11/1/2005	3163969	10/24/2006
USA	Hook Device	Registered	77/265620	8/27/2007	3422573	5/6/2008
USA	Hook Device & OLUKAI	Registered	77/265621	8/27/2007	3426168	5/13/2008
USA	OLUKAI	Registered	77/197421	6/5/2007	3441977	6/3/2008
USA	OLUKAI	Registered	78/742034	10/27/2005	3366828	1/8/2008
USA	OLUKAI	Registered	77761457	6/16/2009	3746361	2/9/2010
USA					TMK 10-	
Customs	OLUKAI	Registered	na	6/9/2010	00589	6/14/2010
USA- California	Hook Device	Registered	na	8/28/2007	112967	9/24/2007
USA- California	Hook Device, OLUKAI	Registered	na	8/28/2007	112942	9/11/2007

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TRADEMARK
REEL: 004699 FRAME: 0771



**TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (as amended, modified, supplemented, extended, renewed, restated or replaced from time to time, this "Agreement") is made this 23rd day of December 2011 between **OLUKAI, LLC** ("Borrower"), having its chief executive office at 8955 Research Drive, Irvine, California 92618 and **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("Lender"), having a place of business at 333 South Grand Avenue, Suite 4150, Los Angeles, California 90071.

WITNESSETH:

WHEREAS, Lender has entered or is about to enter into certain financing arrangements with Borrower pursuant to that certain Credit and Security Agreement dated as of the date hereof (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Credit Agreement"), pursuant to which Lender may make loans and advances and provide other financial accommodations to Borrower, and other agreements, notes, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Credit Agreement, and the Additional Documents (as defined in the Credit Agreement), as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Lender to enter into the Credit Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Borrower pursuant thereto, Borrower has agreed to grant to Lender certain collateral security as set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower 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 Credit Agreement.

2. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Borrower hereby grants to Lender, for itself and its Affiliates, a collateral security interest in and a general lien upon, and a conditional assignment of, all of Borrower's right, title and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (collectively, the "Collateral"): (a) any and all trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including (i) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Exhibit A, (ii) all renewals thereof, (iii) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iv) the right to sue for past, present and future infringements and dilutions thereof, (v) the goodwill of Borrower's business symbolized by the foregoing

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or connected therewith, and (vi) all of Borrower's rights corresponding thereto throughout the world (collectively, the "Trademarks"); (b) all Trademark Licenses (as hereinafter defined); (c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and (c) all products and proceeds (as that term is defined in the UCC) of the foregoing, including any claim by Borrower against third parties for past, present or future (i) infringement or dilution of any Trademark or any Trademarks exclusively licensed under any Trademark License, including right to receive any damages, (ii) injury to the goodwill associated with any Trademark, or (iii) right to receive license fees, royalties, and other compensation under any Trademark License. Notwithstanding anything contained in this Agreement to the contrary, the term "Collateral" shall not include any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law, provided that upon submission and acceptance by the United States Patent and Trademark Office (the "USPTO") of an amendment to allege use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use trademark application shall be considered Collateral. For the purposes of this Agreement, "Trademark License" means (a) any licenses or other similar rights provided to Borrower in or with respect to any Trademark owned or controlled by any other Person, and (b) any licenses or other similar rights provided to any other Person in or with respect to any Trademark owned or controlled by Borrower, in each case, including (i) the license agreements listed on Exhibit B, and (ii) the right to use any of the licenses or other similar rights described in this definition in connection with the enforcement of the Lender's rights under the Financing Agreements.

3. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Lender pursuant to this Agreement shall secure the prompt performance, observance and payment in full of all amounts of any nature whatsoever, direct or indirect, absolute or contingent, due or to become due, arising or incurred heretofore or hereafter, arising under this Agreement or any other agreement or by operation of law, now or hereafter owing by Borrower to Lender or to any Affiliate of Lender. Said amounts include, but are not limited to loans, debts and liabilities heretofore or hereafter acquired by purchase or assignment from other present or future clients of Lender, or through participation. Without limiting the foregoing, such amounts shall include all advances, loans, interest, commissions, customer late payment charges, cost, fees, expenses, taxes and all receivables charged or chargeable to Borrower's account under the Credit Agreement, whether arising under this Agreement, the other Financing Agreements or by operation of law and whether incurred by Borrower as principal, surety, endorser, guarantor or otherwise (all hereinafter referred to as "Obligations").

4. REPRESENTATIONS, WARRANTIES AND COVENANTS

Borrower hereby represents, warrants and covenants with and to Lender the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding) the truth and accuracy of which, or compliance therewith, being a continuing condition of the making of loans and advances and other financial accommodations by Lender to Borrower under the Financing Agreements:

- (a) Borrower shall pay and perform all of the Obligations according to their terms.
- (b) Other than as described in Exhibit A hereto, all of the existing Collateral is valid and subsisting in full force and effect, and Borrower owns the sole, full and clear title thereto, and the right and power to grant the security interest and conditional assignment granted hereunder. Borrower shall, at Borrower's sole expense, perform all acts and execute all documents necessary or, in Lender's sole and absolute discretion, advisable to maintain the existence of the Collateral consisting of registered

Trademarks as registered trademarks and to maintain all of the Collateral as valid and subsisting, including the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, other than as described in Exhibit A hereto, and except: (i) the security interests granted hereunder and (ii) the licenses permitted under Section 3(e) below.

(c) Borrower shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Lender, except as otherwise permitted herein. Nothing in this Agreement shall be deemed a consent by Lender to any such action, except as such action is expressly permitted hereunder.

(d) Borrower shall, at Borrower's sole expense, promptly perform all acts and execute all documents requested at any time by Lender to evidence, perfect, maintain, record or enforce the security interest in and conditional assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Borrower hereby authorizes Lender to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by Lender or as otherwise determined by Lender. Borrower further authorizes Lender to have this Agreement or any other similar security agreement filed with the USPTO or any other appropriate federal, state or local government office.

(e) As of the date hereof, Borrower does not have any Trademarks registered, or the subject of pending applications, in the USPTO or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(f) Borrower shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Lender five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Lender's exercise of the rights and remedies granted to Lender hereunder.

(g) Lender may, in its sole and absolute discretion, pay any amount or do any act which Borrower fails to pay or do as required hereunder or as requested by Lender to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral or the security interest and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, attorneys' fees and legal expenses. Borrower shall be liable to Lender for any such payment, which payment shall be deemed an advance by Lender to Borrower, shall be payable on demand together with interest at the highest rate then applicable to the Indebtedness of Borrower to Lender set forth in the Credit Agreement and shall be part of the Obligations secured hereby.

(h) Borrower shall not file any application for the registration of a Trademark with the USPTO or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, unless Borrower has given Lender thirty (30) days prior written notice of such action. If, after the date hereof, Borrower shall (i) obtain any registered Trademark, or apply for any such registration in the USPTO or in any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country or (ii) become an owner of any trademark registrations or applications for trademark registration used in the United States, any State thereof, any political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Lender, Borrower shall promptly execute and deliver to Lender any and all assignments, agreements, instruments, documents and such other papers as may be

requested by Lender to evidence the security interests in and conditional assignment of such Trademark in favor of Lender.

(i) Borrower has not abandoned any of the Trademarks and Borrower shall not do any act, nor omit to do any act, whereby the Trademarks may become invalidated, unenforceable, avoided or avoidable. Borrower shall notify Lender immediately if it knows or has reason to know of any reason why any application, registration or recording with respect to the Trademarks may become canceled, invalidated, avoided or avoidable, or why any application may not be granted.

(j) Borrower shall render any assistance, as Lender shall determine is necessary or advisable, to Lender in any proceeding before the USPTO, any federal or state court, or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, to maintain such application and registration of the Trademarks as Borrower's exclusive property and to protect Lender's interest therein, including the filing of applications for renewal, affidavits of use, affidavits of incontestability, and opposition, interference, and cancellation proceedings.

(k) Other than as described in Exhibit A, no infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to Lender, including the validity, priority or perfection of the security interest granted herein or the remedies of Lender hereunder. There has been no judgment holding any Trademark invalid or unenforceable, in whole or part, nor is the validity or enforceability of any Trademark being questioned in any litigation or proceeding other than as described in Exhibit A. Borrower shall promptly notify Lender if Borrower (or any Affiliate thereof) learns of any act by any Person which infringes, or which may be reasonably likely to infringe, upon any Trademark. If requested by Lender, Borrower, at Borrower's sole expense, shall join with Lender in such action as Lender, in Lender's sole and absolute discretion, may deem advisable for the protection of Lender's interest in and to any or all of the Trademarks.

(l) Borrower assumes all responsibility and liability arising from the use of the Trademarks and Borrower hereby indemnifies and holds Lender harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees and legal expenses) arising out of any alleged defect in any service or product manufactured, promoted, or sold by Borrower (or any Affiliate thereof) in connection with any Trademark or out of the manufacture, promotion, labeling, sale, distribution or advertisement of any such product or service by Borrower (or any Affiliate thereof). The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Credit Agreement.

(m) Borrower shall promptly pay Lender for any and all expenditures made by Lender pursuant to the provisions of this Agreement or for the defense, protection, or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the highest rate then applicable to the Indebtedness of Borrower to Lender set forth in the Credit Agreement and shall be part of the Obligations secured hereby.

5. RIGHTS AND REMEDIES

Upon the occurrence of an Event of Default, and at any time thereafter, in addition to all other rights and remedies of Lender, whether provided under this Agreement, the Credit Agreement, the other Financing Agreements, applicable law or otherwise, Lender shall have the following rights and

remedies which may be exercised without notice to, or consent by, Borrower except as such notice or consent is expressly provided for hereunder:

(a) Lender may require that neither Borrower nor any Affiliate of Borrower make any use of the Trademarks for any purpose whatsoever. Lender may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services in connection with enforcing any other security interest granted to Lender by Borrower or any Affiliate of Borrower or for such other reason as Lender may determine.

(b) Lender may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Lender shall in its sole and absolute discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Lender may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Borrower of intended disposition of Collateral is required by law, the giving of five (5) days prior written notice to Borrower of any proposed disposition shall be deemed reasonable notice thereof and Borrower waives any other notice with respect thereto. Lender shall have the power to buy the Collateral or any part thereof, and Lender shall also have the power to execute assurances and perform all other acts which Lender may, in its sole and absolute discretion, deem appropriate or proper to complete such assignment, sale or disposition.

(d) In addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to the terms hereof, Lender may at any time execute and deliver on behalf of Borrower, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Borrower agrees to pay Lender on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and attorneys' fees and legal expenses. Borrower agrees that Lender has no obligation to preserve rights to the Trademarks against any other parties.

(e) Lender may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including attorneys' fees and all legal, travel and other expenses which may be incurred by Lender. Thereafter, Lender may apply any remaining proceeds to such of the Obligations as Lender may in its sole and absolute discretion determine. In the event the proceeds of Collateral are insufficient to satisfy all of the Obligations in full, Borrower shall remain liable for any such deficiency and shall pay Lender on demand any such unpaid amount, together with interest at the highest rate then applicable to the Indebtedness of Borrower to Lender set forth in the Credit Agreement.

(f) Borrower shall supply to Lender or to Lender's designee, Borrower's knowledge and expertise relating to the manufacture, sale and distribution of the products and rendition of services to which the Trademarks relate.

(g) Nothing contained herein shall be construed as requiring Lender to take any such action at any time. All of Lender's rights and remedies, whether provided under this Agreement, the Credit Agreement, the other Financing Agreements, applicable law or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

6. **JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS;
GOVERNING LAW**

(a) This Agreement is made and is to be performed under the laws of the State of California and shall be governed by and construed and enforced in accordance with said law, excluding any principles of any conflicts of laws or other rule of law that would result in the application of the law of any jurisdiction other than the laws of the State of California. Borrower and Lender expressly submit and consent to the jurisdiction of the state and federal courts located in the County of Los Angeles, State of California with respect to any controversy arising out of or relating to this Agreement or any alteration, amendment, change, extension, modification, renewal, replacement, substitution, joinder or supplement hereto or to any transactions in connection herewith. Borrower and Lender irrevocably waive all claims, obligations and defenses that Borrower or Lender, as applicable, may have regarding such court's personal or subject matter jurisdiction, venue or inconvenient forum. Nothing herein shall limit the right of Lender to bring proceedings against Borrower in any other court. Each of the parties to this Agreement hereby waives personal service of any summons or complaint or other process or papers to be issued in any action or proceeding involving any such controversy and hereby agrees that service of such summons or complaint or process may be made by registered or certified mail to the other party at the address appearing on the signature page hereto.

(b) LENDER AND BORROWER DO HEREBY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND ARISING ON, OUT OF, BY REASON OF, OR RELATING IN WAY TO, THIS AGREEMENT OR THE INTERPRETATION OR ENFORCEMENT THEREOF OR TO ANY TRANSACTIONS HEREUNDER.

(c) IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CLAIM AND THE WAIVER SET FORTH IN CLAUSE (b) ABOVE IS NOT ENFORCEABLE IN SUCH PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

(i) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN SUBCLAUSE (ii) BELOW, ANY CLAIM SHALL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE. VENUE FOR THE REFERENCE PROCEEDING SHALL BE IN THE COUNTY OF LOS ANGELES, CALIFORNIA.

(ii) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING SET-OFF OR RECOUPMENT), (C) APPOINTMENT OF A RECEIVER, AND (D) TEMPORARY, PROVISIONAL, OR ANCILLARY REMEDIES (INCLUDING WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS, OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A) - (D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO PARTICIPATE IN A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT WITH RESPECT TO ANY OTHER MATTER.

(iii) UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF

THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN 10 DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY SHALL HAVE THE RIGHT TO REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B). THE REFEREE SHALL BE APPOINTED TO SIT WITH ALL OF THE POWERS PROVIDED BY LAW. PENDING APPOINTMENT OF THE REFEREE, THE COURT SHALL HAVE THE POWER TO ISSUE TEMPORARY OR PROVISIONAL REMEDIES.

(iv) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE REFEREE SHALL DETERMINE THE MANNER IN WHICH THE REFERENCE PROCEEDING IS CONDUCTED INCLUDING THE TIME AND PLACE OF HEARINGS, THE ORDER OF PRESENTATION OF EVIDENCE, AND ALL OTHER QUESTIONS THAT ARISE WITH RESPECT TO THE COURSE OF THE REFERENCE PROCEEDING. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS A COURT REPORTER AND A TRANSCRIPT IS ORDERED, A COURT REPORTER SHALL BE USED AND THE REFEREE SHALL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY THE COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(v) THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND SHALL ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA.

(vi) THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH CALIFORNIA SUBSTANTIVE AND PROCEDURAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS OR HER DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE REFEREE SHALL ISSUE A DECISION AND PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 644, THE REFEREE'S DECISION SHALL BE ENTERED BY THE COURT AS A JUDGMENT IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. THE FINAL JUDGMENT OR ORDER FROM ANY APPEALABLE DECISION OR ORDER ENTERED BY THE REFEREE SHALL BE FULLY APPEALABLE AS IF IT HAS BEEN ENTERED BY THE COURT.

(vii) THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE, EACH PARTY HERETO KNOWINGLY AND VOLUNTARILY AND FOR THEIR MUTUAL BENEFIT AGREES THAT THIS REFERENCE PROVISION SHALL APPLY TO ANY DISPUTE BETWEEN THEM THAT ARISES OUT OF OR IS RELATED TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

(d) Borrower waives presentment and protest of any instruments and all notices thereof, notice of default and all other notices to which it might otherwise be entitled.

(e) Lender shall not have any liability to Borrower (whether in tort, contract, equity or otherwise) for losses suffered by Borrower in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Lender that the losses were the result of Lender's acts or omissions constituting gross negligence or willful misconduct.

7. MISCELLANEOUS

(a) Unless otherwise specified herein, all notices pursuant to this Agreement shall be in writing and sent either (i) by hand, (ii) by certified mail, return receipt requested, or (iii) by recognized overnight courier service, to the other party at the address set forth herein, or to such other address as a party may from time to time furnish to the other party by notice. Any notice hereunder shall be deemed to have been given on (x) the day of hand delivery, (y) the third Business Day after the day it is deposited in the U.S. Mail, if sent as aforesaid, or (z) the day after it is delivered to a recognized overnight courier service with instructions for next day delivery.

(b) Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or". The words "hereof", "herein", "hereby", "hereunder", and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights. The word "Person" means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof, and any reference herein to any Person shall be construed to include such Person's successors and assigns.

(c) This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that Borrower may not assign this Agreement or any rights or duties hereunder without Lender's prior written consent and any prohibited assignment shall be absolutely void *ab initio*. No consent to assignment by the Lender shall release Borrower from its Obligations. Lender may assign this Agreement in whole or in part and its rights and duties hereunder or grant participations in the Obligations to one or more affiliates of Lender or one or more banks or other financial institutions and no consent or approval by Borrower is required in connection with any such assignment participation, provided, that, no participant shall have any rights or benefits under this Agreement. In the event of any such grant by a Lender of a participating interest, Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations under this Agreement. Any agreement pursuant to which Lender may grant such a participating interest shall provide that Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder

including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided however, Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) extend the date fixed for the payment of principal on the Loan or a portion thereof owing to such Lender, or (ii) reduce the rate at which interest is payable thereon.

(d) No failure or delay by Lender in exercising any of its powers or rights hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such power or right preclude other or further exercise thereof or the exercise of any other right or power. Lender's rights, remedies and benefits hereunder are cumulative and not exclusive of any other rights, remedies or benefits which Lender may have. No waiver by Lender will be effective unless in writing and then only to the extent specifically stated.

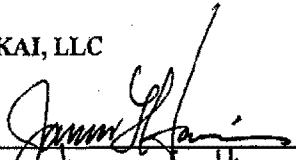
(e) If any provision of this Agreement is found to be unenforceable or otherwise invalid under applicable law, such provision shall be ineffective only to the extent of such invalidity and the remaining provisions of this Agreement shall remain in full force and effect.

(f) This Agreement is the result of full and complete negotiation at arm's length by all parties hereto. No prior drafts or memoranda prepared by any party shall be used to construe or interpret any provision hereof, nor shall any one party be construed the "drafter" of this Agreement for the purpose of construing the terms, conditions or obligations set forth herein. This Agreement sets forth the entire understanding of the parties with respect to the matters set forth herein and supersedes in their entirety any and all understandings and agreements, whether written or oral, of the parties with respect to the foregoing. This Agreement cannot be changed, modified or amended in any respect except by a writing executed by the party to be charged. Borrower acknowledges that it has been advised by counsel in connection with the execution of this Agreement and the other Financing Agreements and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, Borrower and Lender have executed this Agreement as of the day and year first above written.

OLUKAI, LLC

By: 
Name: James L. Harris
Title: CEO

Address: 8955 Research Drive
Irvine, California 92618

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: Authorized Signatory

Address: 333 South Grand Avenue, Suite 4150
Los Angeles, California 90071

IN WITNESS WHEREOF, Borrower and Lender have executed this Agreement as of the day and year first above written.

OLUKAI, LLC

By: _____

Name: _____

Title: _____

Address: 8955 Research Drive
Irvine, California 92618

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: *Marc Grossman*

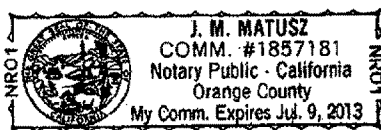
Name: Marc Grossman

Title: Authorized Signatory

Address: 333 South Grand Avenue, Suite 4150
Los Angeles, California 90071

STATE OF California)
 COUNTY OF Orange) ss.:

On the 21 day of December in the year 2011, before me, the undersigned, personally appeared James L Harris, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



J. Matusz
 Notary Public

STATE OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On the ____ day of December in the year 2011, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

**EXHIBIT A
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

**TRADE NAMES, REGISTERED TRADEMARKS, TRADEMARK APPLICATIONS,
REGISTERED SERVICE MARKS AND SERVICE MARK APPLICATIONS**

Country	Mark	Status	App No	App Date	Reg No	Reg Date
Argentina	OLUKAI	Registered	2775494	9/26/2007	2.250.679	9/24/2008
Barbados	Hook & OLUKAI	Filed	81/25336	11/13/2008		
Brazil	OLUKAI	Registered	900.519.150	9/26/2007	900.519.150	12/29/2009
Canada	OLUKAI, Hook Device	Registered	1302953	5/25/2006	TMA740800	5/26/2009
Hong Kong	OLUKAI	Registered	300885952	6/6/2007	300885952	6/6/2007
Indonesia	OLUKAI	Registered	D00.2007.026346	8/10/2007	IDM000191868	2/2/2009
Intl	Hook Device	Registered	A0014374	11/6/2008	1000276	11/6/2008
Intl	Hook Device	Registered	na	6/5/2007	927607	6/5/2007
Intl	OLUKAI	Registered	A0014280	10/29/2008	985916	10/29/2008
Intl	OLUKAI	Registered	na	10/27/2005	888032	4/14/2006
Intl	OLUKAI	Registered	888032	6/5/2007	888032	7/4/2008
Israel	Hook & OLUKAI	Registered	216.331	11/6/2008	216331	11/6/2008
Jamaica	Hook Device & OLUKAI	Registered	052923	10/28/2008	52923	10/9/2009
Malaysia	Hook Device & OLUKAI	Publ'd	08022449	11/11/2008		
Mexico	Hook & OLUKAI	Registered	980547	12/17/2008	1080303	1/21/2009
New Zealand	Hook & OLUKAI	Registered	798138	10/28/2008	798138	10/28/2008
Panama	Hook & OLUKAI	Registered	178472-01	1/15/2009	178472	9/2/2009
Philippines	Hook, OLUKAI	Registered	04-2009-012066	11/25/2009	4-2009-012066	5/13/2010
South Africa	OLUKAI	Registered	2007/12149	6/5/2007	2007/12149	7/2/2007
Taiwan	Hook Device	Approved 3/10)	098020196	5/13/2009		
Taiwan	OLUKAI	Registered	096033100	7/12/2007	1308163	4/16/2008
Thailand	OLUKAI	Registered	667153	7/13/2007	Kor280154	7/13/2007
Trinidad	Hook & OLUKAI	OA 11/09.	40894			
UAE	Hook & OLUKAI	Published (3/11 opp)	125595	2/5/2009		
USA	Hook Device	Registered	77/265639	8/28/2007	4002659	7/26/2011
USA	Hook Device	Registered	77/265640	8/28/2007	3544582	12/9/2008
USA	Hook Device	Registered	77/197425	6/5/2007	3441978	6/3/2008
USA	Hook Device	Registered	77/602662	10/29/2008	3626900	5/26/2009
USA	Hook Device	Registered	78/593800	11/1/2005	3163969	10/24/2006
USA	Hook Device	Registered	77/265620	8/27/2007	3422573	5/6/2008
USA	Hook Device & OLUKAI	Registered	77/265621	8/27/2007	3426168	5/13/2008
USA	OLUKAI	Registered	77/197421	6/5/2007	3441977	6/3/2008
USA	OLUKAI	Registered	78/742034	10/27/2005	3366828	1/8/2008
USA	OLUKAI	Registered	77761457	6/16/2009	3746361	2/9/2010
USA Customs	OLUKAI	Registered	na	6/9/2010	TMK 10-00589	6/14/2010

1969007.5

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USA- California	Hook Device	Registered	na	8/28/2007	112967	9/24/2007
USA- California	Hook Device, OLUKAI	Registered	na	8/28/2007	112942	9/11/2007

In China, Wu Qing Wei filed (application number 5869365, application date January 26, 2007) filed for trademark registration for OLUKAI and Hook Device. The Chinese trademark office has issued a partial refusal to OluKai's registration of such marks and OluKai is appealing the decisions and seeking to register its marks in China—a decision is expected in 2012 or 2013. In addition to the partial refusals related to Wu Qing Wei's filings, the Chinese trademark office has rejected the applications for the Hook Device (by itself) as too similar to a number of other trademark registrations.

**EXHIBIT B
TO
TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

TRADEMARK LICENSES

Hawaiian Lifeguard Association Agreement with OluKai	September 17, 2007	Hawaiian Lifeguard Association	Initial term of three years, thereafter automatic one-year renewal terms unless notice of termination provided at least 120 days prior to anniversary date—current term through September 17, 2012	Right to use Hawaiian Lifeguard Association trademark (not registered with USPTO) and logo
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STATE OF _____)
) ss.:
 COUNTY OF _____)

On the ____ day of December in the year 2011, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public