

FORM PTO-1594 RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE

(Rev. 6-93)

Patent and Trademark Office

12-26-2002

TRADEMARKS ONLY



102321726

OMB No. 0651-0011 (exp. 4/94)
Tab settings =>=>=

2002 DEC 3 AM 11:38

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

FINANCE SECTION

1. Name of conveying party(ies):
DECKERS OUTDOOR CORPORATION & UGG HOLDINGS, INC.
495-A South Fairview Avenue
Goleta, California 93117
[ ] Individuals(s) [ ] Association
[ ] General Partnership [ ] Limited Partnership
[ ] Corporation-State Delaware & California
[ ] Other

12/3/02

2. Name and address of receiving party(ies)
Name: Comerica Bank-California.
Internal Address:
Street Address: 15303 Ventura Boulevard
City: Sherman Oaks State: California ZIP: 91403
[ ] Individual(s) citizenship
[ ] Association
[ ] General Partnership
[ ] Limited Partnership
[ ] Corporation-State California
[ ] Other

Additional name(s) of conveying party(ies) attached? [ ] Yes [x] No

3. Nature of conveyance:
[ ] Assignment [ ] Merger
[x] Security Agreement [ ] Change of Name
[ ] Other

Execution Date: November 25, 2002

If assignee is not domiciled in the United States, a domestic representative designation is attached: [ ] Yes [ ] No
(Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [ ] Yes [ ] No

4. Application number(s) or patent number(s):
A. Trademark Application No.(s)
75/591,242
Additional numbers attached? [x] Yes [ ] No

B. Trademark Registration No.(s)
2,311,393

5. Name and address of party to whom correspondence concerning document should be mailed:
Mr. Michael Wright
Name: Buchalter, Nemer, Fields & Younger
Internal Address:
Street Address: 601 South Figueroa Street, 24th Floor
City: Los Angeles State: California ZIP: 90017
12/24/2002 DBYRNE 00000072 200052 75591242

6. Total number of applications and registrations involved: 26
7. Total fee (37 CFR 3.41) \$ 665
[ ] Enclosed
[x] Authorized to be charged to deposit account
8. Deposit account number: 20-0052
(Attach duplicate copy of this page if paying by deposit account)

01 FC:8521 40.00 CH
02 FC:8522 625.00 CH
DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.
MR. MICHAEL WRIGHT
November 29, 2002

<u>COUNTRY</u>	<u>MATTER</u>	<u>APPLICATION NO./ REGISTRATION NO.</u>
Tangiers	TEVA (Sandals)	Reg. No. 14696
Thailand	TEVA (stylized) (Class 25--Footwear)	Reg. No. TM60505
Thailand	TEVA (stylized) (Class 18)	App. No. 457782
Tonga	TEVA (Class 25)	App. No. T/M/00/00014
Trinidad & Tobago	HAND DESIGN (Classes 25, 24, 28, 9, 35)	App. No. 32197
Trinidad & Tobago	TEVA (stylized) (Classes 25, 24, 9, 18, 35)	App. No. 32196
Turkey	TEVA & HAND DESIGN (Classes 25,18,9)	App. No. 2001/06727
Turkey	TEVA (Classes 25, 18, 9)	App. No. 2001/06727
United Kingdom	TEVA (Class 25--Footwear)	Reg. No. 1463777
United States	Design (Arrangement of Geometric Shapes) (Footwear)	Reg. No. 2,311,393 (Tech Logo)
United States	TEVA & HAND DESIGN (Clothes, Foot.)	Ser. No. 75/591,242 (ITU)

<u>COUNTRY</u>	<u>MATTER</u>	<u>APPLICATION NO./ REGISTRATION NO.</u>
United States	<b>TEVA + HAND DESIGN</b> (Clothes, foot.)	Ser. No. 75/982,232 (Div. Appln of 75/591,242)
United States	<b>TEVA + HAND DESIGN</b> (Clothes, Foot.)	Reg. No. 2,321,025
United States	<b>TEVA (Footwear)</b>	Reg. No. 1,394,947
United States	<b>SPOILER (Class 25--Footwear)</b>	Reg. No. 2,418,240
United States	<b>HAND DESIGN (Clothing)</b>	Reg. No. 2,072,410
United States	<b>RICOCHET</b> (Class 25--Footwear, namely sandals)	Reg. No. 2,548,729 <sup>1</sup>
United States	<b>TARANTULA</b> <sup>1</sup> (Class 25--Footwear)	Reg. No. 2,311,906 <sup>2</sup>
United States	<b>MUSH</b> <sup>1</sup> (Class 25--Footwear)	Reg. No. 2,329,271 <sup>6</sup>
United States	<b>TEVA</b> (Class 35--Retail stores)	Reg. No. 2,301,460
United States	<b>CLOTHING FOR THE RIVER OF LIFE (Clothing)</b>	Reg. No. 2,058,612

<u>COUNTRY</u>	<u>MATTER</u>	<u>APPLICATION NO./ REGISTRATION NO.</u>
United States	<b>TEVA</b> (Class 25--Clothing, Footwear)	Reg. No. 2,377,458
United States	<b>BRAIN DRAIN</b> (Class 25--Footwear)	Reg. No. 2,011,112
United States	<b>FREE YOUR FEET. YOUR MIND WILL FOLLOW.</b> (Class 25--Footwear)	Reg. No. 1,920,965
United States	<b>LIQUID FRAME</b> (Straps for securing foot to sandals and shoes, sold as integral component)	Reg. No. 2,553,093
United States	<b>PRETTY RUGGED</b> (Class 25--Footwear)	Reg. No. 2,065,631
United States	<b>RIVER RUBBER</b>	Reg. No. 2,014,052
United States	<b>SPIDER RUBBER</b> (Class 25--Footwear)	Reg. No. 2,406,569
United States	<b>TERRADACTYL</b> (Class 25--Footwear)	Reg. No. 1,866,458
United States	<b>TERRA-FI</b> (Class 25--Footwear)	Reg. No. 2,062,045
United States	<b>WET CLIMBER</b> (Footwear)	Reg. No. 2,029,264
United States	<b>XPD</b> (Footwear)	Reg. No. 2,358,376

<u>COUNTRY</u>	<u>MATTER</u>	<u>APPLICATION NO./ REGISTRATION NO.</u>
United States	TEVA (Class 9--sunglasses)	Ser. No. 78/047,242 (ITU)
United States	TEVA (Class 9--sunglass retainers and headstraps)	Ser. No. 75/982,664 (Div of Ser. No. 78/047242)
United States	TEVA (Class 25 expanded Foot.)	Ser. No. 76/238,323 (Use- based)
United States Virgin Islands	TEVA (Classes 25, 24, 18, 9)	No reg. # assigned
Venezuela	TEVA (Footwear)	App. No. 13263/98
Venezuela	HAND DESIGN (Clothing, Footwear)	App. No. 13264/98
Yemen	TEVA (Sandals)	App. No. 13620

# PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (as may be amended from time to time, this "Agreement"), dated as of November 25, 2002, is entered into by and among Deckers Outdoor Corporation, a Delaware corporation ("Deckers"), and UGG Holdings, Inc., a California corporation ("UGG", together with Deckers, the "Debtors"), and Comerica Bank - California, a California corporation ("Secured Party"), with reference to the following facts:

## RECITALS

A. Debtors and Secured Party have previously entered into that certain Revolving Credit Agreement, dated as of February 21, 2002 (the "Prior Agreement").

B. Debtors and Secured Party are contemporaneously herewith entering into that certain Amended and Restated Credit Agreement, dated as of even date herewith (the "Loan Agreement"), pursuant to which Secured Party will be extending certain financial accommodations to Debtors and shall amend and restate the Prior Agreement in its entirety.

C. In order to further induce Secured Party to enter into the Loan Agreement and in consideration thereof, Debtors have agreed to execute and deliver to Secured Party this Agreement, securing the payment of performance of the Obligations of Debtors under the Loan Agreement.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

## AGREEMENT

### 1. Definitions and Construction.

(a) Definitions. All initially capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement. In addition, the following terms, as used in this Agreement, have the following meanings:

"Bankruptcy Code" means The Bankruptcy Reform Act of 1978 (Pub. L. No. 95-598; 11 U.S.C.), as amended or supplemented from time to time, or any successor statute, and any and all rules and regulations issued or promulgated in connection therewith.

"Code" means the California Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

"Collateral" means:

(i) All of each Debtor's right, title, and interest, in and to the trademarks and rights and interests which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by each Debtor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) All of each Debtor's right, title, and interest, in and to the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) or by each Debtor, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iii) All of each Debtor's right, title, and interest, in and to the patents and patent applications listed on Schedule A, attached hereto, as the same may be updated hereafter from time to time;

(iv) All of each Debtor's right, title, and interest, in and to the trademarks and trademark registrations listed on Schedule B, attached hereto, as the same may be updated hereafter from time to time;

(v) All of each Debtor's right, title and interest, in all patentable inventions, and to file applications for patents under federal patent law or regulation of any foreign country, and to request re-examination and/or re-issue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of such Debtor or in the name of Secured Party for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vi) All of each Debtor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of such Debtor or in the name of Secured Party for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill

(vii) All general intangibles relating to the foregoing; and

(viii) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

“Debtor(s)” shall have the meaning set forth in the introduction hereto.

“Event of Default” shall have the meaning set forth in Section 11 herein.

“Loan Agreement” means that certain Amended and Restated Credit Agreement, dated as of even date herewith, by and among Debtors and Secured Party.

“Secured Party” shall have the meaning set forth in the introduction hereto.

(b) Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term “including” is not limiting. The words “hereof,” “herein,” “hereby,” “hereunder,” and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Secured Party or Debtors, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Debtors, Secured Party, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Secured Party and Debtors.

2. Grant of Security Interest. Each Debtor hereby grants to Secured Party a first-priority security interest in all of such Debtor’s right, title, and interest in and to the Collateral to secure the Obligations.

3. Further Assurances.

(a) Each Debtor agrees that from time to time, at the expense of such Debtor, each Debtor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, encumbrances and restrictions permitted hereunder, promptly make, execute, acknowledge and deliver, and file and record in the United States Patent and Trademark Office, all instruments and documents, and take all further action, that may be necessary or desirable, or that Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Debtor will: (i) at the request of Secured Party, mark conspicuously each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to Secured Party, indicating that such Collateral is subject to the security interest granted hereby; (ii) execute and file such financing or continuation statements, or amendments thereto, and such other instrument or notices, as may be necessary or desirable, or as Secured Party may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby; (iii) at any reasonable time during normal business hours, upon demand by Secured Party, allow inspection of the Collateral by Secured Party, or persons designated by Secured Party; and (iv) appear in and defend any action or proceeding that may affect each Debtor’s title to or Secured Party’s security interest in the Collateral; *provided, however*, that



such action or proceeding will have in Debtors' reasonable business judgment a material adverse effect on the value of the Collateral.

(b) Each Debtor will furnish to Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may reasonably request.

4. Representations, Warranties and Covenants. Each Debtor hereby represents, warrants, and covenants that:

(a) a true and complete schedule setting forth all patent and patent applications owned or controlled by each Debtor or licensed to each Debtor, together with the title and filing or issuance dates thereof, is set forth on Schedule A;

(b) a true and complete schedule setting forth all federal and state trademark registrations owned or controlled by each Debtor or licensed to each Debtor, together with the filing or issuance dates thereof, is set forth on Schedule B;

(c) each of the patents, trademarks, and trademark registrations are subsisting and have not been adjudged invalid or unenforceable in whole or in part, except as set forth on Schedule C;

(d) each Debtor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the patents, patent applications, trademarks, and trademark registrations, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by each Debtor not to sue third persons, except as may be set forth on Schedule D;

(e) each Debtor has used and will continue to use proper statutory notice in connection with its use of each of the patents and trademarks;

(f) each Debtor has used and will continue to use consistent standards of high quality (which may be consistent with such Debtor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the patents and trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the patents and trademarks that in Debtors' reasonable business judgment have sufficient value to justify maintenance; and

(g) except for the filing of a financing statement with the Secretaries of State of California and Delaware and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by each Debtor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by each Debtor or for the perfection of or the exercise by Secured Party of its rights hereunder to the Collateral in the United States.

5. After-Acquired Patent or Trademark Rights.

(a) If any Debtor shall obtain rights to any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, divisional, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Debtors shall give prompt notice in writing to Secured Party with respect to any such new patents, and shall promptly deliver to Secured Party an amended Schedule A. Each Debtor shall bear any expenses incurred in connection with any future patent applications.

(b) If any Debtor shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Debtors shall give prompt notice in writing to Secured Party, at the end of each fiscal quarter, with respect to any such new trademark registration and applications or renewal or extension of any trademark registration, and shall immediately deliver to Secured Party an amended Schedule B. Each Debtor shall bear any expenses incurred in connection with future applications for trademark registration.

6. Indemnification. Each Debtor hereby agrees to indemnify and hold harmless Secured Party from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees and attorneys' fees incurred pursuant to the Bankruptcy Code) of any kind whatsoever that may be imposed on, incurred by or asserted against Secured Party in connection with, or in any way arising out of, any such suits, proceedings or other action concerning, or the defense of, any such suits, proceedings or other actions, whether that claim is made by any Debtor or any other person, and for any damages and lost profits that may be awarded as a consequence of any such suits, proceedings or other actions, in which, with respect to all of the above, an allegation of the liability, strict or otherwise, of any Debtor is or may be made by any person who alleges or may allege having suffered damages as a consequence of alleged improper, imprudent, reckless, negligent, willful, faulty, defective or substandard design, testing, specification, manufacturing supervision, manufacturing defect, manufacturing deficiency, publicity or advertisement, or improper use, howsoever arising or by whomsoever caused, or an inventions disclosed and claimed in the patents.

7. Litigation and Proceedings. Each Debtor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Each Debtor shall provide to Secured Party any information with respect thereto requested by Secured Party. Secured Party shall provide at each Debtor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following any Debtor's becoming aware thereof, Debtors shall notify Secured Party of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding any Debtor's claim of ownership in any of the patents or trademarks, its right to apply for the same, or its right to keep and maintain such patent or trademark rights; *provided, that*, such proceeding is likely to have or any such adverse determination has a material adverse impact on the value of the Collateral.

8. Power of Attorney. Each Debtor irrevocably grants Secured Party power of attorney, coupled with an interest, having the full authority, and in the place of such Debtor and

in the name of such Debtor, from time to time following an Event of Default in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this agreement, including, without limitation, as may be subject to the provisions of this Agreement:

(a) to endorse each Debtor's name on all applications, documents, papers, and instruments necessary for Secured Party to use or maintain the Collateral;

(b) to ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral;

(c) to file any claims or take any action or institute any proceedings that Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Secured Party's rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person; and

(d) to file any such application, instrument or document as may be required by the United States Patent and Trademark Office in order to transfer the Collateral into the name of the Secured Party or Secured Party's nominee.

9. Right to Inspect. Each Debtor grants to Secured Party and its employees and agents the right to visit any Debtor's plants and facilities which manufacture, inspect, or store products sold under any of the patents or trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business.

10. Appraisals. Upon the request of Secured Party, each Debtor shall deliver to Secured Party an appraisal, issued by an appraiser of Secured Party's choice, of the domestic and international patents, patent applications, trademarks and trademark registrations and applications for all of the above. Each Debtor shall disclose to the appraiser all information concerning such items as requested by the appraiser and all other information known to any Debtor that would have an effect on the value of any such items.

11. Events of Default. The occurrence of any Event of Default under the Loan Agreement shall constitute an event of default ("Event of Default") hereunder.

12. Specific Remedies. Upon the occurrence of any Event of Default, Secured Party shall have, in addition to, other rights given by law or in this Agreement, the Loan Agreement, or in any other agreement or document entered into in connection herewith or therewith, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

(a) Secured Party may notify any Debtor or other licensees of the Collateral to make royalty payments on such license agreements directly to Secured Party;

(b) Secured Party may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Secured Party deems

advisable. Each Debtor shall file any such application, instrument or document as may be required by the United States Patent and Trademark Office in order to transfer the Collateral into the name of the Secured Party or Secured Party's nominee. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to such Debtor five (5) days prior to such disposition. Such Debtor shall be credited with the net proceeds of such sale only when they are actually received by Secured Party, and such Debtor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Secured Party shall also give notice of the time and place by publishing a notice one time at least five (5) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held; and

(c) Secured Party may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Secured Party at such sale.

### 13. General Provisions.

13.1 Effectiveness of This Agreement. This Agreement shall be binding and deemed effective when executed by each Debtor and accepted and executed by Secured Party.

13.2 Cumulative Remedies; No Prior Recourse to Collateral. The enumeration herein of Secured Party's rights and remedies is not intended to be exclusive, and such rights and remedies are in addition to and not by way of limitation of any other rights or remedies that the Secured Party may have under the Code or other applicable law. Secured Party shall have the right, in its sole discretion, to determine which rights and remedies are to be exercised and in which order. The exercise of one right or remedy shall not preclude the exercise of any others, all of which shall be cumulative.

13.3 No Implied Waivers. No act, failure, or delay by Secured Party shall constitute a waiver of any of its rights and remedies. No single or partial waiver by Secured Party of any provision of this Agreement or the Loan Agreement, or of a breach or default hereunder or thereunder, or of any right or remedy which the Secured Party may have, shall operate as a waiver of any other provision, breach, default, right, or remedy or of the same provision, breach, default, right, or remedy on a future occasion. No waiver by Secured Party shall affect its rights to require strict performance of this Agreement.

13.4 Severability. If any provision of this Agreement shall be prohibited or invalid, under applicable law, it shall be effective only to such extent, without invalidating the remainder of this Agreement.

13.5 Governing Law. This Agreement shall be deemed to have been made in the State of California and shall be governed by and interpreted in accordance with the laws of such state, except that no doctrine of choice of law shall be used to apply the laws of any other state or jurisdiction.

13.6 Jurisdiction and Venue. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, *PROVIDED, HOWEVER*, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT SECURED PARTY'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SECURED PARTY ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH DEBTOR AND SECURED PARTY WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF *FORUM NON CONVENIENS* OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS *SECTION 13.6*.

13.7 Waiver of Trial By Jury. EACH DEBTOR AND SECURED PARTY HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH DEBTOR AND SECURED PARTY REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

13.8 Survival of Representations and Warranties. All of each Debtor's representations and warranties contained in this Agreement shall survive the execution, delivery, and acceptance thereof by the parties, notwithstanding any investigation by Secured Party or its agents.

13.9 Fees and Expenses. Each Debtor shall pay to Secured Party on demand all reasonable costs and expenses that the Secured Party pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Secured Party; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of any Debtor under this Agreement that any Debtor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce

the provisions of this Agreement, or to defend any claims made or threatened against the Secured Party arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement regarding costs and expenses to be paid by any Debtor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of past judgment reasonable attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

13.10 Notices. Except as otherwise provided herein, all notices, demands and requests that each Debtor or Secured Party are required or elect to give to the other shall be sent in accordance with Section 10.1 of the Loan Agreement.

13.11 Binding Effect; Assignment. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective representatives, successors and assigns of the parties hereto; provided, however, that no interest herein may be assigned by any Debtor without the prior written consent of Secured Party. The rights and benefits of Secured Party hereunder shall, if Secured Party so agrees, inure to any party acquiring any interest in the Obligations or any part thereof.

13.12 Modification. This Agreement is intended by each Debtor and Secured Party to be the final, complete, and exclusive expression of the agreement between them respecting the subject matter hereof. This Agreement supersedes any and all prior oral or written agreements relating to the subject matter hereof. No modification, rescission, waiver, release, or amendment of any provision of this Agreement shall be made, except by a written agreement signed by each Debtor and a duly authorized officer of Secured Party.

13.13 Counterparts. This Agreement may be executed in any number of counterparts, and by Secured Party and such Debtor in separate counterparts, each of which shall be an original, but all of which shall together constitute one and the same agreement.


13.14 Captions. The captions contained in this Agreement are for convenience only, are without substantive meaning and should not be construed to modify, enlarge, or restrict any provision.

13.15 Termination By Secured Party. After termination of the Loan Agreement and when Secured Party has received payment and performance, in full, of all Obligations, Secured Party shall execute and deliver to Debtors a termination of all of the security interests granted by each Debtor hereunder.


[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

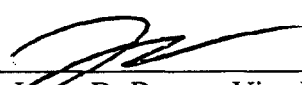
DECKERS OUTDOOR CORPORATION,  
a Delaware corporation

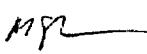
By:   
Name: M. Scott Ash  
Title: Chief Financial Officer

UGG HOLDINGS, INC.,  
a California corporation

By:   
Name: M. Scott Ash  
Title: Chief Financial Officer

COMERICA BANK - CALIFORNIA,  
a California corporation

By:   
Jason D. Brown, Vice President





**Schedule A**  
**Comerica Patent and Trademark Security Agreement**  
**Patents Acquired from Mark Thatcher**

<u>COUNTRY</u>	<u>MATTER</u>	<u>APPLICATION NO./ REGISTRATION NO.</u>
China	FOOTWEAR (Wraptor)	Ser. No. 99312209.4
France	FOOTWEAR (Wraptor)	Reg. No. 994635
Germany	FOOTWEAR (Wraptor)	Reg. No. 499 06 922.6
Japan	FOOTWEAR (Wraptor)	Reg. No. 1090957
South Korea	SPORT SANDAL FOR ACTIVE WEAR (Universal)	Pat. No. 077,573
United Kingdom	FOOTWEAR (Wraptor)	Reg. No. 2085164
United States	FOOTWEAR (Wraptor)	Pat. No. D429,873
United States	FOOTWEAR (Wraptor)	Ser. No. 29/112,515
United States	FOOTWEAR (Ricochet)	Pat. No. 441,175
United States	SURFACE OF A FOOTWEAR SOLE (Kids' North Rim/Kids' Ricochet)	Ser. No. 29/114,038
United States	FOOTWEAR (Wraptor CIP)	Pat. No. D458,009

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<u>COUNTRY</u>	<u>MATTER</u>	<u>APPLICATION NO./ REGISTRATION NO.</u>
United States	<b>TREAD SURFACE</b> (Tsunami Out/Topsole)	Pat. No. D459,864
United States	<b>TREAD SURFACE</b> (Vector Out/Topsole)	Ser. No. 29/123,276
United States	<b>FOOTWEAR</b> (Mehari)	Pat. No. D460,245
United States	<b>FOOTWEAR</b> (Terra Rover)	Pat. No. D460,246
United States	<b>FOOTWEAR</b> (Psychlone)	Pat. No. D459,863
United States	<b>FOOTWEAR</b> (XPD/Formula)	Pat. No. D459,862
Australia	<b>SPORT SANDAL (Universal)</b>	Pat No. 599880
Australia	<b>FOOTWEAR SECUREMENT SYSTEM</b>	App. No. 17741/01
Australia	<b>FOOTWEAR SOLE AND ARCH STRAPPING SYSTEM</b> (Wraptor)	App. No. 58084/99
Canada	<b>FLEECE SOCK</b>	Ser. No. 2,227,352
China	<b>FOOTWEAR SOLE AND ARCH STRAPPING SYSTEM</b> (Wraptor)	App. No. 99810533.3
European Union	<b>FOOTWEAR SOLE AND ARCH STRAPPING SYSTEM</b> (Wraptor)	App. No. 99945494.5
Mexico	<b>FOOTWEAR SOLE AND ARCH STRAPPING SYSTEM</b> (Wraptor)	App. No. PA/a/2001/002347

<u>COUNTRY</u>	<u>MATTER</u>	<u>APPLICATION NO./ REGISTRATION NO.</u>
New Zealand	<b>SPORT SANDAL FOR ACTIVE WEAR (Universal)</b>	Pat. No. 226061
PCT	<b>FOOTWEAR SECUREMENT SYSTEM (Closed Footwear)</b>	Ser. No. WO 01/35782 A1
United States	<b>SPORT SANDAL FOR ACTIVE WEAR (Universal)</b>	Pat No. 4,793,075
United States	<b>SPORT SANDAL CONSTRUCTION (Original)</b>	Pat No. 4,584,782
United States	<b>FOOTWEAR SECUREMENT SYSTEM (closed Wraptor)</b>	App. No. 10/130457
United States	<b>SELF ADJUSTING FRAME FOR FOOTWEAR (Liquid Frame)</b>	Pat. No. 6,128,835
United States	<b>FOOTWEAR SOLE WITH INTEGRALLY MOLDED SHANK (Dual Density Shank)</b>	Pat. No. 6,061,929
United States	<b>FOOTWEAR SOLE AND ARCH STRAPPING SYSTEM</b>	Ser. No. 09/786,239 (Wraptor)
United States	<b>FLEECE SOCK</b>	Pat. No. 5,867,837

**Schedule C**  
**Comerica Patent and Trademark Security Agreement**  
**Legal Matters Involving Intellectual Property Acquired from Mark Thatcher**

<b>Docket No.</b>	<b>Country</b>	<b>Marks/Other Party</b>	<b>Description</b>
31919.8128	Brazil	TEVAH, Reg. No. 1133, dated 8/18/92 Tevah Vestuario Masculino Ltda.	Conducted investigation in Brazil regarding TEVAH registration. TEVAH registration is due for renewal 8/18/2002. Tevah Vestuario is a neighborhood chain of stores mainly in Porto Alegre and southern Brazil. Tevah Vestuario has a very traditional image and the products sold in their stores are mostly formal suits, ties, shirts, shoes and the like. Initial discussions suggest that Tevah prefers agreement with Mark Thatcher which involves payment of royalties to Tevah. Sent newspaper, magazine articles and catalogs to Tevah showing nature of TEVA sandals. No further action taken at this time.
31919.8133	Chile	TEVA v. TEVA  Thatcher v. Carlos Capurro Bahamondes	Cancellation action filed.
31919.1434	China	HAND DESIGN v. HAND DESIGN  Thatcher v. Changzhou Yonghen Garment Factory	Cancellation action filed based on non-use on 7/21/01.
31919.8134	China	TEVA v. TEVA  Thatcher v. Luyisi Leather	Opposition filed.
31919.8134	China	TEVA v. TEVA (class 24)  Thatcher v. Jiayi Enterprises Co. Ltd.	Opposition filed.
31919.8142	Costa Rica	EVA & APPLE DESIGN, Appln No. 18481 Corsetex Limitada	Received publication notice of EVA & APPLE DESIGN application in Class 25 in Costa

Docket No.	Country	Marks/Other Party	Description
			Rica. No action taken.
31919.0943	Czech Republic	EVA v. TEVA Ombretta AG v. Thatcher	Opposition filed by Ombretta.
31919.8205	Europe--CTM	TOVA v. TEVA  Tova Corporation v. Thatcher	Opposition filed by Tova.
31919.8205	Europe--CTM	THEBAS v. TEVA  Textil Juan B. Mato S.A. v. Thatcher	Opposition filed by Textil.
31919.8205	Europe--CTM	TEVA v. TEPA & DESIGN  Thatcher v. Romaia-Comercio	Opposition filed against class 25 appln.
31919.8205	Europe--CTM	TEVA NAOT	Application by Na'Ale Naot Ltd filed; not yet published.
31919.8146	El Salvador Guatemala	TEVA v. TEVA  Thatcher v. Piel Y Calzado	Cancellation proceeding filed.
31919.8107	France	Trademark Investigation	L'OEIL DE TEVA trademark application published for opposition. No opposition filed per client's instructions.
31919.8106	France	TEVA, Reg. No. 1668894, dated 6/3/91 Mark Thatcher	Existing registration in block letters; existing CTM registration is stylized; stylization registration may create issues for block letter registration in France.
31919.0953	Iceland	TESA v. TEVA  Tesa AG v. Thatcher	Opposition filed by Tesa AG Germany.
31919.8457	Indonesia	TESA v. TEVA  Tesa AG v. Thatcher	Opposition filed by Tesa AG to TEVA Class 9 application for sunglasses only.
31919.8157	Indonesia	TEVA v. TEVA  Thatcher v. Mizuno Jauw	Opposition filed on 7/19/01 by Thatcher against Class 18 application.
31919.8157	Indonesia	TEVA, Appln No. H4.HC.01-01-1440 Mark Thatcher	Application refused based on existence of Registrations TIFA by Hendry Pramana Reg. Nos. 284226, 282250 and TESA by

Docket No.	Country	Marks/Other Party	Description
			Reben Sumbardi Reg. No. 371831 in Class 25. Registrations have been renewed. No further action has been taken.
31919.8157	Indonesia	DEVA, Appln No. D0006301 filed 3/29/01 Hendarto Tjiptadi	Application published for opposition in Class 25. No opposition filed.
31919.8157	Indonesia	NEO-TEVA, Appln No. D0006301 filed 3/28/01 CV Anugraah Jaya	Application published for opposition in Class 25. No opposition filed.
31919.8157	Indonesia	TEVA, Appln No. D00-2001 00294-294 filed 1/9/01 Mizuno Jauw	Opposition filed on 7/19/01 by Thatcher against Class 18 application. Evidence of use filed in support of opposition.
31919.8457	Indonesia	TESA, Reg Nos. 371423 dated 6/15/95; 369245 dated 6/15/95; 371296 dated 6/15/95; 469371 dated 6/15/95 Tesa AG	Opposition filed by Tesa AG to Thatcher's TEVA appln No. D00-15783-15883 filed 7/23/01 in Class 9 (which covers only "sunglasses") alleging similarity between marks and alleged bad faith by Thatcher. Counter-opposition filed by associate 5/20/02 arguing differences in goods and marks. Evidence of use of TEVA mark filed.
31919.8109	Israel	TEVA NAOT	No opposition filed.
31919.8109	Israel	NEGISEI TEVA	No opposition filed.
31919.8410	Japan	TESA v. TEVA  Tesa AG v. Thatcher	Tesa AG atty advised opposition filed against Class 9 TEVA application.
31919.8511	Korea	TEVA v. TEBAS  Thatcher v. Shin Hong	Brief filed against TEBAS appln in classes 18 and 25 on 10/25/01.
31919.8111	Korea	WWW TEEVA COM	Trademark watch notice advised publication of applications in classes 35 and 38. No oppositions filed.
	Mexico	TEVA v. TEVHA 69 & Design  Thatcher v. Sergio Tulio Ortiz Sahagun	Cancellation action filed 8/16/01 based on fact that conflicting registration granted in error due to prior TEVA registration.
31919.8171	Panama	TEVA, Reg. No. 67421 dated 3/23/95	Investigation of TEVA registration by Margin Corp/Mr.

Docket No.	Country	Marks/Other Party	Description
		Judith Gadeloff, assigned to Margin Corp.	Ezra Didio which covers women, men and children's clothing, including shoes, sneakers, underwear and accessories. Attempts to negotiate assignment of TEVA registration to Mr. Thatcher unsuccessful; offered \$1,500. Mr. Didio advised not interested in assigning registration but entering into license agreement. No further action taken.
31919.8174	Philippines	TEVA (stylized) v. REVA (stylized)  Thatcher v. Jose Nilo J. Ocampo	Verified Opposition filed 6/5/02.
31919.0974	Philippines	TEVA v. TEVA (Stylized)  Thatcher v. Shoetown	Cancellation action resolved by settlement in which Registration acquired from Shoetown by assignment to Thatcher
31919.8176	Portugal	TEVA NAOT, Appln No. 356778 Na'Ale Naot Ltd.	Application by Na'Ale Naot Ltd. in Class 25. No opposition filed.
31919.8182	Spain	V TE VA Radio Difusiones	Opposition to V TE VA applications for Classes 16, 35 and 38 filed. Spanish Trademark Office refused Thatcher oppositions based on visual and overall differences between marks and classes. No appeal filed.
31919.8119	Sweden	TEVA Callidus Kallered	Application in Classes 7, 11 and 40. No opposition filed.
31919.8584	Switzerland	EVA v. TEVA  Ombretta AG v. Thatcher	Opposition period expires 7/17/02.
31919.8584	Switzerland	TESA v. TEVA  Tesa AG v. Thatcher	
31919.8120	Taiwan	TEVA v. TEVA (class 24)  Thatcher v. Jiayi Enterprise Co	Opposition filed.
31919.8186	Thailand	TEVA v. TEVA (stylized)	Purchased TEVA (stylized) Reg.

<b>Docket No.</b>	<b>Country</b>	<b>Marks/Other Party</b>	<b>Description</b>
		Thatcher v. Hoberd Industry Co.	No. 60505 in class 25 and TEVA (stylized) Appln No. 457782 in class 18 from Hoberd Industry Co. (and son).
31919.8186	Thailand	TEVA (stylized) & HAND DESIGN v. TEVA (stylized) & HAND DESIGN  Thatcher v. Mr. Tiva Leejarkpai	Opposition filed against Class 9 appln 4/29/02.
31919.1441	Trinidad & Tobago	HAND DESIGN v. HAND DESIGN  Mode-Alive v. Thatcher	Opposition filed by Mode-Alive against Class 25 appln on 4/25/02.
31919.8187	Turkey	TEVA & HAND DESIGN v. TEVA & HAND DESIGN  Thatcher v. Sualar Gumusculuk Tekstil	Opposition against Sualar filed 9/18/01.
31919.8188	Uruguay	TEVA, Reg. No. 253,031 dated 8/20/92 Alfredo Idiart	Investigation of TEVA registration by Mr. Idiart in Class 25 (class heading). Mr. Idiart owns part of a limited liability company by name of Combarini Ltda. which operates local footwear factory. Associate did not find any use of TEVA by Mr. Idiart or Combarini. Attempted to negotiate assignment of registration for \$2500--Mr. Idiart not willing to sell for less than \$22,000. Client requested contact information to contact Mr. Idiart directly. No further action.
31919.8189	Venezuela	TEVA v. TEVA  Thatcher v. Inversiones Zona C.A. (Mr. Spielberg)	Cancellation action filed 4/9/01 and are awaiting publication of same.
31919.8150	Vietnam	TEVA, Reg. No. 32170 Doanh Hghiep Tu Nhan Hoa Hue	Investigation shows manufacturer of sandals and slippers and exports to the United States and sells in local

Docket No.	Country	Marks/Other Party	Description
			markets. Shopkeeper advises TEVA sandals brought into Vietnam from foreign countries by Vietnamese that are overseas. Associate provided photographs and purchased sandals from Doanh. No further action.
		John W. Baker v. Deckers Outdoor Corporation	Unknown - Deckers is handling matter.
		TEVA	Other issues: From time to time, various intellectual property pirates have attempted to take advantage of foreign laws permitting the acquisition of intellectual property rights, including trademark rights, by registration. Other pirates may currently exist or hereafter take actions. In most cases, when pressed, these pirates have alleged rights superior to Thatcher relative to, among other things, the TEVA mark.
		HAND DESIGN	The TEVA "HAND DESIGN" was inspired from Native American stone carvings called "fetishes". These fetishes originated from the Zuni Reservation and included the shape of a hand. The spiral which is included in the "HAND DESIGN" is a Hopi symbol for water. As such, the "HAND DESIGN" is both Zuni and Hopi-inspired. Given the origins of the mark, various uses of the similar designs are known in a variety of contexts ranging from artistic renderings to uses on products. In various countries others have taken steps to protect their particular hand design for use in connection with a variety of products, including items that may be



Docket No.	Country	Marks/Other Party	Description
			within the general categories of clothing, footwear and headgear, including Amano Knitwear USA holder of U.K. Registration No. 2,022,016.
		Clearance Issues	From time to time, third parties have taken issue with some of the product designs, web names, secondary product names and the like. Some products have even given rise to third party claims relating to infringement, such as the claims of Edwin H. Crabtree. Other claims may currently exist or hereafter arise.

Various third parties from time to time have tried to copy various aspects of the assets of Seller. In general, Seller has provided an IP Brochure to such parties advising such parties of Seller's intellectual property rights. A listing of recipients since mid 2000 is provided below:

Recipient	Date
A&A	8/18/00
Acs Commercial Inc.	8/18/00
Adtek	8/18/00
Airwalk	8/18/00
American Sporting Brands	8/18/00
Aster S.A.	8/18/00
Babybotte	8/18/00
Bigston	8/18/00
Boris Shoe Corp	8/18/00
Chillmark Dry Goods	8/18/00
Ecco	8/18/00
Enzo Shoes	8/18/00
Evergreen Trading Co.	8/18/00
Fiorini Footwear	8/18/00
Foot Gear Corp	8/18/00
Hi-Tech	8/18/00
International Group	8/18/00
L.A. Gear	8/18/00
Levis	8/18/00
Osh Kosh	8/18/00
Peaks	8/18/00
Primigi	8/18/00

<b>Recipient</b>	<b>Date</b>
Rafters	8/18/00
Ricosta	8/18/00
Rock River	8/18/00
Sandy's Wholesale	8/18/00
Scott Hawaii	8/18/00
Sketchers	8/18/00
Stride Rite	8/18/00
Timberland	8/18/00
Transco	8/18/00
Triple Footwear	8/18/00
Vison Footwear	8/18/00
Weather Guard	8/18/00
Willits Footwear	8/18/00
Wolverine	8/18/00
The Sports Authority	9/26/00
Eco Dragan	11/8/00
Kamik Div. of Genfoot America	11/8/00
Liston Concepts	11/8/00
MC Sports	11/8/00
Ocean Pacific	11/8/00
Reef	11/8/00
Amercan Footwear	8/28/01
China Foreign Trade Guangzhou	8/28/01
In Shoes	8/28/01
Munro & Company	8/28/01
National Fashions Imports	8/28/01
New Wave Trading	8/28/01
Ningbo Dazhong Shoes	8/28/01
Salland Ind. Ltd.	8/28/01
Triple T Footwear	8/28/01
TVAS (Korea)	8/28/01
Bates Accessories	1/22/02
G.H. Bass	4/24/02
Marshalls, Inc.	4/24/02

Other possible infringement issues include:

**Copyrights:**

<b>Entity</b>	<b>Subject Matter</b>
U.S. Webbing	Selling to others webbing using various copyrights.
Mental Headgear	Selling hats containing webbing with various copyrights. They received their webbing from U.S. Webbing.
American Plastics	Displayed webbing with various copyrights at the August

	O.R. show.
Island Slipper	Purchased webbing from U.S. Webbing

**Patents:**

<b>Entity</b>	<b>Subject Matter</b>
Bufo	Showed sandals at the August O.R. show that appeared to use the '075 patent
Asics	Potential infringement of the Liquid Frame patent via their Gel-Eagle Trail shoe
Lizard	Same Person that Sellers sued in Australia. They showed a product at the August O.R. show that may be covered by the '075 patent.

**Schedule D**  
**Comerica Patent and Trademark Security Agreement**  
**Licenses Acquired from Mark Thatcher**

1. License Agreement, dated as of November 17, 2000, by and between Mark Thatcher and Itochu Corporation.