

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Trademark Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Collective Licensing International, LLC		08/17/2007	LIMITED LIABILITY COMPANY:
Payless ShoeSource Worldwide, Inc		08/17/2007	CORPORATION:
Saucony, Inc		08/17/2007	CORPORATION:
S R Holdings, Inc		08/17/2007	CORPORATION:
SRL Inc		08/17/2007	CORPORATION:
The Stride Rite Corporation		08/17/2007	CORPORATION:
The Keds Corporation		08/17/2007	CORPORATION:

RECEIVING PARTY DATA

Name:	Citicorp North America, Inc
Street Address:	388 Greenwich Street, 20th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10013
Entity Type:	CORPORATION:

PROPERTY NUMBERS Total: 33

Property Type	Number	Word Mark
Registration Number:	1958918	PAYLESS SHOESOURCE
Registration Number:	1731803	PAYLESS SHOESOURCE
Registration Number:	1903614	PAYLESS SHOESOURCE
Registration Number:	1155940	PAYLESS SHOESOURCE
Registration Number:	3325504	AIRWALK
Registration Number:	2314004	AIRWALK
Registration Number:	2483397	AIRWALK
Registration Number:	2109810	AIRWALK

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Registration Number:	1511840	AIRWALK
Registration Number:	2121905	STRIDE RITE
Registration Number:	1532092	STRIDE RITE
Registration Number:	1273954	STRIDE RITE
Registration Number:	1236944	STRIDE RITE
Registration Number:	2027964	KEDS
Registration Number:	2118183	KEDS
Registration Number:	1816261	KEDS
Registration Number:	1222699	KEDS
Registration Number:	0114848	KEDS
Registration Number:	0902655	KEDS
Registration Number:	3179477	SPERRY
Registration Number:	3091746	SPERRY
Registration Number:	2489029	SPERRY
Registration Number:	1135565	SPERRY
Registration Number:	0645830	SPERRY
Registration Number:	0812968	SPERRY
Registration Number:	0812493	SPERRY
Registration Number:	0732519	SPERRY
Registration Number:	3319627	SAUCONY
Registration Number:	2959812	SAUCONY
Registration Number:	2964879	SAUCONY
Registration Number:	2064602	SAUCONY
Registration Number:	1356744	SAUCONY
Registration Number:	1147250	SAUCONY

CORRESPONDENCE DATA

Fax Number: (212)310-8007
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Email: Kristopher.Villarreal@weil.com, phyllis.depaola@weil.com
Correspondent Name: Weil, Gotshal & Manges c/o Kris Villarreal
Address Line 1: 767 5th Avenue
Address Line 4: New York, NEW YORK 10153

ATTORNEY DOCKET NUMBER:	35899.0362
NAME OF SUBMITTER:	Kristopher Villarreal

Signature:	/Kristopher Villarreal/
Date:	12/19/2007
Total Attachments: 6 source=PaylessExecuted Trademark Security Agreement_#1797163#page1.tif source=PaylessExecuted Trademark Security Agreement_#1797163#page2.tif source=PaylessExecuted Trademark Security Agreement_#1797163#page3.tif source=PaylessExecuted Trademark Security Agreement_#1797163#page4.tif source=PaylessExecuted Trademark Security Agreement_#1797163#page5.tif source=PaylessExecuted Trademark Security Agreement_#1797163#page6.tif	

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of August 17, 2007, by each of the entities listed on the signature pages hereof or that becomes a party hereto pursuant to *Section 7.10 (Additional Grantors)* of the Security Agreement referred to below (each a “Grantor” and, collectively, the “Grantors”), in favor of Citicorp North America, Inc. (“Citi”), as agent for the Secured Parties (as defined in the Credit Agreement referred to below) (in such capacity, the “Administrative Agent”).

Witnesseth:

WHEREAS, pursuant to the Term Loan Agreement, dated as of August 17, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Payless ShoeSource Finance, Inc. (the “*Borrower*”), Payless ShoeSource, Inc., the Lenders party thereto and Citi, as agent for the Lenders, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Grantors other than the Borrower are party to the Guaranty pursuant to which they have guaranteed the Obligations; and

WHEREAS, all the Grantors are party to a Pledge and Security Agreement of even date herewith in favor of the Administrative Agent (the “*Security Agreement*”) pursuant to which the Grantors are required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Lenders and the Administrative Agent to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Administrative Agent as follows:

Section 1. Defined Terms

Unless otherwise defined herein, terms defined in the Credit Agreement or in the Security Agreement and used herein have the meaning given to them in the Credit Agreement or the Security Agreement.

Section 2. Grant of Security Interest in Trademark Collateral

Each Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of such Grantor, hereby mortgages, pledges and hypothecates to the Administrative Agent for the benefit of the Secured Parties, and grants to the Administrative Agent for the benefit of the Secured Parties a lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor (the “*Trademark Collateral*”):

(a) all of its Trademarks and Trademark Licenses to which it is a party, including, without limitation, those referred to on *Schedule I* hereto;

(b) all goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(c) all Proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present, future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

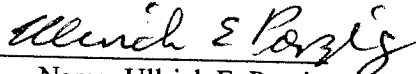
Section 3. Security Agreement

The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the Administrative Agent pursuant to the Security Agreement and each Grantor hereby acknowledges and affirms that the rights and remedies of the Administrative Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

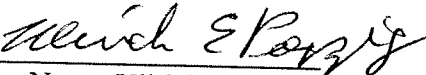
[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized offer as of the date first set forth above.

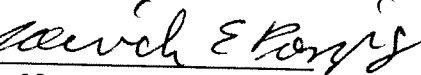
COLLECTIVE LICENSING
INTERNATIONAL, LLC,
as Grantor

By: 
Name: Ullrich E. Porzig
Title: Vice President

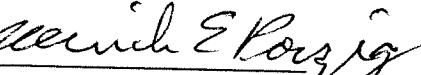
PAYLESS SHOESOURCE WORLDWIDE,
INC.,
as Grantor

By: 
Name: Ullrich E. Porzig
Title: Senior Vice President

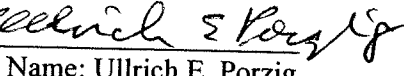
SAUCONY, INC.,
as Grantor

By: 
Name: Ullrich E. Porzig
Title: Vice President

S R HOLDINGS INC.,
as Grantor

By: 
Name: Ullrich E. Porzig
Title: Vice President

SRL, INC.,
as Grantor

By: 
Name: Ullrich E. Porzig
Title: Vice President

{SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT}

TRADEMARK
REEL: 003681 FRAME: 0725

SAN JOSE ACQUISITION CORP.,
as Grantor

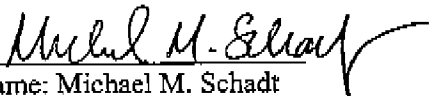
By: *Ullrich E. Porzig*
Name: Ullrich E. Porzig
Title: Treasurer

THE KEDS CORPORATION,
as Grantor

By: *Ullrich E. Porzig*
Name: Ullrich E. Porzig
Title: Vice President

ACCEPTED AND AGREED
as of the date first above written:

CITICORP NORTH AMERICA, INC.,
as Administrative Agent

By: 
Name: Michael M. Schadt
Title: Director

[SIGNATURE PAGE TO TRADEMARK SECURITY AGREEMENT]

TRADEMARK
REEL: 003681 FRAME: 0727

Schedule I
to
Trademark Security Agreement

Material Intellectual Property consists of the following trademarks:

<u>Trademark</u>	<u>Grantor</u>	<u>Registration Number</u>
Payless ShoeSource	Payless ShoeSource Worldwide, Inc.	1958918
Payless ShoeSource	Payless ShoeSource, Inc.	1731803
Payless ShoeSource	Payless ShoeSource, Inc.	1903614
Payless ShoeSource	Volume Shoe Corporation	1155940
Airwalk	Collective Licensing International, LLC	3325504
Airwalk	Items International, Inc	2314004
Airwalk	GVM, Inc.	2483397
Airwalk	Items International, Inc.	2109810
Airwalk	Items International, Inc.	1511840
Stride Rite	Stride Rite Corporation, The	2121905
Stride Rite	Stride Rite Corporation, The	1532092
Stride Rite	Stride Rite Corporation, The	1273954
Stride Rite	Stride Rite Corporation, The	1236944
Keds	SR Holdings Inc.	2027964
Keds	SR Holdings Inc.	2118183
Keds	SR Holdings Inc.	1816261
Keds	Keds Corporation, The	1222699
Keds	United States Rubber Company	0114848
Keds	Uniroyal, Inc.	0902655
Sperry	Halliburton Energy Services, Inc.	3179477
Sperry	Halliburton Energy Services, Inc.	3091746
Sperry	SR Holdings, Inc.	2489029
Sperry	Sperry Corporation	1135565
Sperry	General Mills, Inc.	0645830
Sperry	Automation Industries, Inc.	0812968
Sperry	Automation Industries, Inc.	0812493
Sperry	United States Rubber Company	0732519
Saucony	Saucony, Inc.	3319627
Saucony	Saucony, Inc.	2959812
Saucony	Saucony, Inc.	2964879
Saucony	Hyde Athletic Industries, Inc.	2064602
Saucony	Hyde Athletic Industries, Inc.	1356744
Saucony	Saucony Shoe Manufacturing Company, Inc.	1147250