

Names and Address of Additional Conveying Parties:

K-Swiss Sales Corp., a Delaware Corporation
K-Swiss Direct Inc., a Delaware Corporation
K-Swiss Pacific Inc., a Delaware Corporation
Royal Elastics Inc., a Delaware Corporation
Royal Elastics, LLC, a Delaware Limited Liability Company
K-Swiss NS Inc., a Delaware Corporation

31248 Oak Crest Drive
Westlake Village, California 91361

SCHEDULE I
to
SUPPLEMENTAL TRADEMARK SECURITY AGREEMENT

Trademark Registrations/Applications

<u>Trademark</u>	<u>Application No.</u>	<u>Registration No.</u>	<u>Issue Date</u>
Si-18	85538695	4224840	16 Oct 2012
Palladium Round Logo	85607165	4246019	20 Nov 2012

Execution

SUPPLEMENTAL TRADEMARK SECURITY AGREEMENT

This SUPPLEMENTAL TRADEMARK SECURITY AGREEMENT (this "Supplement") is made this 8th day of February, 2013, by and among the Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually a "Grantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association ("Wells Fargo"), in its capacity as agent for the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent").

WITNESSETH:

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

WHEREAS, pursuant to such Credit Agreement, Agent has agreed to act as agent for the benefit of the Lender Group and the Bank Product Providers in connection with, among other things, the Existing Trademark Agreement (as hereinafter defined), and pursuant to the Guaranty and Security Agreement (as hereinafter defined), Grantors agreed to execute and deliver to Agent, for the benefit of Lender Group and the Bank Product Providers, the Existing Trademark Agreement (as hereinafter defined);

WHEREAS, pursuant to the Trademark Security Agreement dated as of April 25, 2012, by and among Grantors and Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Existing Trademark Agreement"), Grantors granted to Agent a valid security interest in all of Grantors' then existing or thereafter acquired trademarks, trade names, trade styles, terms, service marks, designs and applications therefor and certain other trademark collateral, including, but not limited to, all of the foregoing described in Schedule I to the Existing Trademark Agreement;

WHEREAS, Grantors, in addition to being the owners of the entire right, title and interest in and to the trademarks, trade names, trade styles, terms, service marks, designs and applications therefor described in Schedule I to the Existing Trademark Agreement, have also adopted, used and are using, and are also the owners of the entire right, title, and interest in and to the trademarks, trade names, trade styles, terms, service marks, designs and applications therefor described in Schedule I hereto and made a part hereof (collectively, the "New Trademarks");

WHEREAS, in order to induce Agent and Lenders to continue to make loans and advances, and to induce the Lender Group and Bank Product Providers to provide other financial

accommodations to Borrowers pursuant to the Credit Agreement, Grantors hereby acknowledge and reaffirm the security interests heretofore granted by Grantors to Agent pursuant to the Existing Trademark Agreement and, as a supplement thereto, have agreed to confirm the grant to Agent of certain collateral security as set forth herein.

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

1. **DEFINED TERMS.** All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Guaranty and Security Agreement, dated as of April 25, 2012, between Grantors and Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty and Security Agreement") or, if not defined therein, in the Credit Agreement, and this Supplement shall be subject to the rules of construction set forth in Section 1(b) of the Guaranty and Security Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*.

2. **GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL.** In addition, and not in limitation, of the security interests and other interests granted to Agent pursuant to the Existing Trademark Agreement, each Grantor hereby unconditionally confirms and reaffirms the prior grant thereof to Agent pursuant to the Existing Trademark Agreement, and grants, assigns, and pledges to Agent, for the benefit each member of the Lender Group and each of the Bank Product Providers, to secure the Secured Obligations, a continuing security interest (referred to in this Supplement as the "Security Interest") in all of such Grantor's right, title and interest in and to the following, whether now owned or hereafter acquired or arising (collectively, the "Trademark Collateral"):

(a) all of its Trademarks and Trademark Intellectual Property Licenses to which it is a party including those referred to on Schedule I;

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

all products and proceeds (as that term is defined in the Code) of the foregoing, including any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or any Trademarks exclusively licensed under any Intellectual Property 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 Intellectual Property License.

3. **SECURITY FOR SECURED OBLIGATIONS.** This Supplement and the Security Interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Supplement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantors, or any of them, to Agent, the other members of the Lender Group, the Bank Product Providers or any of them, whether or not they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Grantor.

4. **GUARANTY AND SECURITY AGREEMENT.** The Security Interest granted pursuant to this Supplement is granted in conjunction with the security interests granted to Agent, for the benefit of the Lender Group and the Bank Product Providers, pursuant to the Guaranty and Security Agreement and the Existing Trademark Agreement. Each Grantor hereby acknowledges

2333049.1

and affirms that the rights and remedies of Agent with respect to the Security Interest in the Trademark Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Supplement, the Existing Trademark Agreement and the Guaranty and Security Agreement, the Guaranty and Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. Grantors hereby authorize Agent unilaterally to modify this Supplement by amending Schedule I to include any new trademark rights, including any future United States registered trademarks or applications therefore, of each Grantor. Notwithstanding the foregoing, no failure to so modify this Supplement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Trademark Collateral, whether or not listed on Schedule I.

6. COUNTERPARTS. This Supplement is a Loan Document. This Supplement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Supplement. Delivery of an executed counterpart of this Supplement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Supplement. Any party delivering an executed counterpart of this Supplement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Supplement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Supplement.

7. CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE PROVISION. THIS SUPPLEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 25 OF THE GUARANTY AND SECURITY AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, MUTATIS MUTANDIS.

[SIGNATURE PAGE FOLLOWS]

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

GRANTORS:

K-SWISS INC.

By: 

Name: George Powlick

Title: Chief Financial Officer

K-SWISS SALES CORP.

By: 

Name: George Powlick

Title: Vice President

K-SWISS DIRECT INC.

By: 

Name: David Nichols

Title: President

K-SWISS PACIFIC INC.

By: 

Name: George Powlick

Title: Assistant Secretary

ROYAL ELASTICS, LLC

By its Manager:

K-SWISS INC.

By: 

Name: Steven Nichols

Title: Management Committee

By: 

Name: David Nichols

Title: Management Committee

By: 

Name: George Powlick

Title: Management Committee

[SIGNATURES CONTINUE ON NEXT PAGE]

Supplemental Trademark Security Agreement (K-Swiss)

TRADEMARK
REEL: 004963 FRAME: 0813

ROYAL ELASTICS INC.

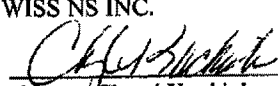
By:


Name: David Nichols

Title: President

K-SWISS NS INC.

By:


Name: Cheryl Kuchinka

Title: President

[SIGNATURES CONTINUE ON NEXT PAGE]

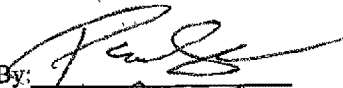
Supplemental Trademark Security Agreement (K-Swiss)

TRADEMARK
REEL: 004963 FRAME: 0814

AGENT:

ACCEPTED AND ACKNOWLEDGED BY:

WELLS FARGO BANK, NATIONAL
ASSOCIATION, a national banking association

By: 
Name: *Paras Shah*
Title: *Vice President*

Supplemental Trademark Security Agreement (K*Swiss)

TRADEMARK
REEL: 004963 FRAME: 0815

FAX COVER SHEET

TO

COMPANY

FAX NUMBER 15712730140

FROM CLS-CTLS AlbanyFax

DATE 2013-02-14 12:40:49 EST

RE TRADEMARK- K-SWISS

COVER MESSAGE

Angela Brown
Team Member
CT Liens Solutions, a Wolters Kluwer Company
187 Wolf Road, Ste. 101
Albany, NY 12205

Phone: 800-342-3676 x4063

Fax: 800-962-7049

angela.brown@wolterskluwer.com<mailto:angela.brown@wolterskluwer.com>
www.ctliensolutions.com<http://www.ctliensolutions.com>

VISIT OUR INDUSTRY BLOG! <http://ctls.typepad.com>