

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
AG Acquisition Corporation		08/19/2013	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Wells Fargo Bank, National Association
Street Address:	299 S. Main Street, Suite 900
City:	Salt Lake City
State/Country:	UTAH
Postal Code:	84111
Entity Type:	National Association: UNITED STATES

PROPERTY NUMBERS Total: 3

Property Type	Number	Word Mark
Registration Number:	3558302	A
Registration Number:	4129192	ASTRO GAMING
Serial Number:	77908302	ASTRO GAMING

CORRESPONDENCE DATA

Fax Number: 4352143811
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Phone: 435-214-3807
 Email: mjones@markuswilliams.com
 Correspondent Name: Melinda Jones
 Address Line 1: 2750 Rasmussen Road, Suite H-104
 Address Line 4: Park City, UTAH 84098

ATTORNEY DOCKET NUMBER:	10863.522
NAME OF SUBMITTER:	Melinda Jones

Signature:	/mej/
Date:	10/09/2013
Total Attachments: 9 source=Patent and Trademark Security Agreement - AG Acquisition Corporation#page1.tif source=Patent and Trademark Security Agreement - AG Acquisition Corporation#page2.tif source=Patent and Trademark Security Agreement - AG Acquisition Corporation#page3.tif source=Patent and Trademark Security Agreement - AG Acquisition Corporation#page4.tif source=Patent and Trademark Security Agreement - AG Acquisition Corporation#page5.tif source=Patent and Trademark Security Agreement - AG Acquisition Corporation#page6.tif source=Patent and Trademark Security Agreement - AG Acquisition Corporation#page7.tif source=Patent and Trademark Security Agreement - AG Acquisition Corporation#page8.tif source=Patent and Trademark Security Agreement - AG Acquisition Corporation#page9.tif	

PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement (this "Agreement"), dated as of August 19, 2013, is made by AG ACQUISITION CORPORATION, a Delaware corporation ("Debtor"), for the benefit of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

Skullcandy, Inc., a Delaware corporation ("Borrower"), and Bank are parties to a Credit Agreement (as amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") dated the same date as this Agreement, setting forth the terms on which Bank may now or hereafter extend credit to or for the account of Borrower.

As a condition to extending credit to or for the account of Borrower, Bank has required the execution and delivery of Debtor's Continuing Guaranty dated as of the date hereof and this Agreement by Debtor.

ACCORDINGLY, in consideration of the agreements of Bank set forth in the Credit Agreement, Debtor hereby agrees as follows:

1. DEFINITIONS. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"Event of Default" means an Event of Default (as defined in the Credit Agreement).

"Indebtedness" is used herein in its most comprehensive sense and includes without limitation any and all advances, debts, obligations and liabilities of Debtor heretofore, now or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, including without limitation under any swap, derivative, foreign exchange, hedge, deposit, treasury management or other similar transaction or arrangement, and whether Debtor may be liable individually or jointly with others, or whether recovery upon such Indebtedness may be or hereafter becomes unenforceable.

"Patents" means all of Debtor's right, title and interest in any and all patents and patent applications, including without limitation (a) the patents and patent applications listed on Exhibit A, (b) all continuations, divisionals, continuations-in-part, re-examinations, reissues, and renewals thereof and improvements thereon, (c) all licenses with respect thereto and all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including without limitation payments under all licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (d) the right to sue for past, present, and future infringements thereof, and (e) all of Debtor's rights corresponding thereto throughout the world.

“Security Interest” has the meaning given in Section 2.

“Trademarks” means all of Debtor’s right, title and interest in any and all trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including without limitation (a) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Exhibit A, (b) all renewals thereof, (c) all licenses with respect thereto and all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including without limitation payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (d) the right to sue for past, present and future infringements and dilutions thereof, (e) the goodwill of Debtor’s business symbolized by the foregoing or connected therewith, and (f) all of Debtor’s rights corresponding thereto throughout the world.

2. SECURITY INTEREST. Debtor hereby irrevocably pledges and assigns to, and grants Bank a security interest (the “Security Interest”) with power of sale to the extent permitted by law in, the Patents and the Trademarks to secure payment of the Indebtedness of Debtor to Bank. As set forth in the other Loan Documents, the Security Interest is coupled with a security interest in substantially all of the personal property of Debtor. This Agreement is not intended to and does not affect any present transfer of title of any trademark registration or application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use trademark application, unless such action is permitted under 15 U.S.C. § 1060.

3. REMEDIES. Upon the occurrence of an Event of Default and during the continuation thereof, and at any time thereafter, Bank may, at its option, take any or all of the following actions:

(a) Bank may exercise any or all remedies available under the other Loan Documents.

(b) Bank may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) Bank may enforce the Patents and Trademarks, and if Bank shall commence any suit for such enforcement, Debtor shall, at the request of Bank, do any and all lawful acts and execute any and all proper documents required by Bank in aid of such enforcement.

4. TERMINATION. This Agreement will terminate upon (a) the payment and performance of all Indebtedness of Borrower to Bank under the Credit Agreement and the other Loan Documents (other than Unasserted Contingent Indemnification Claims), and (b) the termination of all commitments of Bank to extend credit to Borrower under the Credit Agreement.

5. MISCELLANEOUS. This Agreement shall take effect when signed by Debtor and delivered to Bank, and Debtor waives notice of Bank’s acceptance hereof or reliance hereon. All rights, powers, privileges and remedies of Bank shall be cumulative. No delay, failure or

discontinuance of Bank in exercising any right, power, privilege or remedy hereunder shall affect or operate as a waiver of such right, power, privilege or remedy; nor shall any single or partial exercise of any such right, power, privilege or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. Any waiver, permit, consent or approval of any kind by Bank of any default hereunder, or any such waiver of any provisions or conditions hereof, must be in writing and shall be effective only to the extent set forth in writing. Bank shall have no duty to take any steps necessary to preserve the rights of Debtor against prior parties, or to initiate any action to protect against the possibility of a decline in the market value of the Patents or Trademarks.

6. NOTICES. All notices, requests and demands required under this Agreement must be in writing, addressed to Bank at the address specified in any other Loan Document and to Debtor at the address specified in any other Loan Document or to such other address as any party may designate by written notice to all other parties, and shall be deemed given or made as follows: (a) if sent by hand delivery, upon delivery; (b) if sent by mail, upon the earlier of the date of receipt or three (3) days after deposit in the U.S. mail, first class and postage prepaid; and (c) if sent by facsimile, upon receipt.

7. COSTS, EXPENSES AND ATTORNEYS' FEES. Debtor shall pay to Bank immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including without limitation reasonable attorneys' fees (to include outside counsel fees and all allocated costs of Bank's in-house counsel), expended or incurred by Bank in connection with (a) the perfection and preservation of the Patents or Trademarks or Bank's interest therein, and (b) the realization, enforcement and exercise of any right, power, privilege or remedy conferred by this Agreement, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including without limitation any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Bank or any other Person) relating to Debtor or in any way affecting any of the Patents or Trademarks or Bank's ability to exercise any of its rights or remedies with respect thereto. All of the foregoing shall be paid by Debtor with interest from the date of demand until paid in full at a rate per annum equal to the default rate of interest as provided in the Line of Credit Note.

8. SUCCESSORS; ASSIGNS; AMENDMENT. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties; provided however, that Debtor may not assign or transfer its interests or rights hereunder without Bank's prior written consent. This Agreement may be amended or modified only in writing signed by Bank and Debtor.

9. SEVERABILITY OF PROVISIONS. If any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Agreement.

10. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

11. ARBITRATION.

(a) Arbitration. The parties hereto agree, upon demand by any party, to submit to binding arbitration all claims, disputes and controversies between or among them (and their respective employees, officers, directors, attorneys, and other agents), whether in tort, contract or otherwise in any way arising out of or relating to this Agreement and its negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any dispute. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

(b) Governing Rules. Any arbitration proceeding will (i) proceed in a location in New York selected by the American Arbitration Association (“AAA”); (ii) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (iii) be conducted by the AAA, or such other administrator as the parties shall mutually agree upon, in accordance with the AAA’s commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the AAA’s optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to herein, as applicable, as the “Rules”). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any dispute. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

(c) No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any dispute to arbitration or reference hereunder, including without limitation those arising from the exercise of the actions detailed in the foregoing subsections (i), (ii) and (iii).

(d) Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000. Any dispute in which the amount in controversy exceeds \$5,000,000 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. The arbitrator will be a neutral attorney licensed in the State of New York or a neutral retired judge of the state or federal judiciary of New York, in

either case with a minimum of ten years experience in the substantive law applicable to the subject matter of the dispute to be arbitrated. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all disputes in accordance with the substantive law of New York and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the New York Civil Practice Law and Rules or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including without limitation the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

(e) Discovery. In any arbitration proceeding, discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the dispute being arbitrated and must be completed no later than 20 days before the hearing date. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

(f) Class Proceedings and Consolidations. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, except parties who have executed this Agreement or any contract, instrument or document relating to any Indebtedness, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

(g) Payment Of Arbitration Costs And Fees. The arbitrator shall award all costs and expenses of the arbitration proceeding.

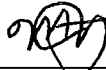
(h) Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the documents or any relationship between the parties.

(i) Small Claims Court. Notwithstanding anything herein to the contrary, each party retains the right to pursue in Small Claims Court any dispute within that court's jurisdiction. Further, this arbitration provision shall apply only to disputes in which either party seeks to recover an amount of money (excluding attorneys' fees and costs) that exceeds the jurisdictional limit of the Small Claims Court.

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IN WITNESS WHEREOF, this Patent and Trademark Security Agreement has been duly executed as of August 14, 2013.

AG ACQUISITION CORPORATION

By: 
Name: Mark Hansen
Its: Financial Officer

STATE OF UTAH)
) §
COUNTY OF SUMMIT)

On this 14th day of August, 2013, before me, Oriana Kness, a notary public, personally appeared Mark Hansen, proved on the basis of satisfactory evidence and who by me duly sworn/affirmed, did say that he/she is the Financial Officer of AG Acquisition Corporation, a Delaware corporation, and acknowledged to me that said corporation executed the same.





Notary Public

EXHIBIT A

UNITED STATES ISSUED PATENTS

Patent Description	Registration Number	Registration Date	Expiration Date
Headset with Noise Plates	8,139,807	03/20/2012	12/17/2018
Headset Frame	D613266	04/06/2010	04/06/2024
Headset with Noise Plates	8,335,335	12/18/2012	02/09/2022


UNITED STATES PATENT APPLICATIONS

Patent Application	Application/Serial Number	Application/Filing Date
Systems and methods for remotely mixing multiple audio signals	12/958,462	12/02/2010
Daisy-Chained Game Audio Exchange	12/047,260	03/12/2008
Wireless Game/Audio System and Method	13/926,015	06/25/2013
OC Transceiver and Method of Using the Same	13/834,308	03/15/2013
Game Communications Exchange	11/844,230	08/23/2007

EXHIBIT B

**UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS
AND COLLECTIVE MEMBERSHIP MARKS**

REGISTRATIONS

Trademark	Registration Number	Registration Date	Expiration Date
	3,558,302	01/06/2009	01/06/2019
ASTRO GAMING	4,129,192	04/17/2012	04/17/2022

APPLICATIONS

Trademark Application	Application/Serial Number	Application Date
ASTRO GAMING	77/908,302	01/08/2010

TRADENAMES; REGISTERED SERVICE MARKS; SERVICE MARKS

NONE

Exh. B-1

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