

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM582935

|   |                                       |                       |  |
|---|---------------------------------------|-----------------------|--|
| <b>SUBMISSION TYPE:</b>   | NEW ASSIGNMENT                        |                       |  |
| <b>NATURE OF CONVEYANCE:</b>  | SECURITY INTEREST                     |                       |  |
| <b>CONVEYING PARTY DATA</b>   |                                       |                       |  |
| <b>Name</b>   | <b>Formerly</b>                       | <b>Execution Date</b> | <b>Entity Type</b>                             |
| CITIBANK, N.A.  |                                       | 04/16/2020            | National Banking Association:<br>UNITED STATES |
| <b>RECEIVING PARTY DATA</b>   |                                       |                       |  |
| <b>Name:</b>  | SHOE HOLDINGS LLC                     |                       |  |
| <b>Street Address:</b>  | 5951 SKYLAB RD                        |                       |  |
| <b>City:</b>  | HUNTINGTON BEACH                      |                       |  |
| <b>State/Country:</b>   | CALIFORNIA                            |                       |  |
| <b>Postal Code:</b>   | 92648                                 |                       |  |
| <b>Entity Type:</b>   | Limited Liability Company: CALIFORNIA |                       |  |
| <b>PROPERTY NUMBERS Total: 1</b>  |                                       |                       |  |
| <b>Property Type</b>  | <b>Number</b>                         | <b>Word Mark</b>      |  |
| <b>Registration Number:</b>   | 2920747                               | MEZLAN                |  |
| <b>CORRESPONDENCE DATA</b>  |                                       |                       |  |
| <b>Fax Number:</b>  | 9493403000                            |                       |  |
| <i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i> |                                       |                       |  |
| <b>Phone:</b>   | 9493403400                            |                       |  |
| <b>Email:</b>   | plittle@shulmanbastian.com            |                       |  |
| <b>Correspondent Name:</b>  | JAMES C. BASTIAN, JR.                 |                       |  |
| <b>Address Line 1:</b>  | 100 SPECTRUM CENTER DRIVE SUITE 600   |                       |  |
| <b>Address Line 4:</b>  | IRVINE, CALIFORNIA 92618              |                       |  |
| <b>ATTORNEY DOCKET NUMBER:</b>  | 6203-000 (2of5)                       |                       |  |
| <b>NAME OF SUBMITTER:</b>   | James C. Bastian Jr.                  |                       |  |
| <b>SIGNATURE:</b>   | /James C. Bastian Jr./                |                       |  |
| <b>DATE SIGNED:</b>   | 06/24/2020                            |                       |  |
| <b>Total Attachments: 17</b>  |                                       |                       |  |
| source=exe_35_NotePurchase_Transfer&AssgnmtofNoteLien&OtherDocs#page1.tif   |                                       |                       |  |
| source=exe_35_NotePurchase_Transfer&AssgnmtofNoteLien&OtherDocs#page2.tif   |                                       |                       |  |
| source=exe_35_NotePurchase_Transfer&AssgnmtofNoteLien&OtherDocs#page3.tif   |                                       |                       |  |
| source=exe_35_NotePurchase_Transfer&AssgnmtofNoteLien&OtherDocs#page4.tif   |                                       |                       |  |

OP \$40.00 2920747

source=exe\_35\_NotePurchase\_Transfer&AssgnmtofNoteLien&OtherDocs#page5.tif  
source=exe\_35\_NotePurchase\_Transfer&AssgnmtofNoteLien&OtherDocs#page6.tif  
source=exe\_35\_NotePurchase\_Transfer&AssgnmtofNoteLien&OtherDocs#page7.tif  
source=exe\_35\_NotePurchase\_Transfer&AssgnmtofNoteLien&OtherDocs#page8.tif  
source=exe\_37.40\_ScheduleA-TrademarkSecurityAg-PacificShoeCorporation#page1.tif  
source=exe\_37.40\_ScheduleA-TrademarkSecurityAg-PacificShoeCorporation#page2.tif  
source=exe\_37.40\_ScheduleA-TrademarkSecurityAg-PacificShoeCorporation#page3.tif  
source=exe\_37.40\_ScheduleA-TrademarkSecurityAg-PacificShoeCorporation#page4.tif  
source=exe\_37.40\_ScheduleA-TrademarkSecurityAg-PacificShoeCorporation#page5.tif  
source=exe\_37.40\_ScheduleA-TrademarkSecurityAg-PacificShoeCorporation#page6.tif  
source=exe\_37.40\_ScheduleA-TrademarkSecurityAg-PacificShoeCorporation#page7.tif  
source=exe\_37.40\_ScheduleA-TrademarkSecurityAg-PacificShoeCorporation#page8.tif  
source=exe\_37.40\_ScheduleA-TrademarkSecurityAg-PacificShoeCorporation#page9.tif

TRANSFER AND ASSIGNMENT OF NOTE, LIEN AND OTHER DOCUMENTS

THIS TRANSFER AND ASSIGNMENT OF NOTE, LIEN AND OTHER DOCUMENTS (this "Assignment") dated as of April 16, 2020, is executed and delivered by CITIBANK, N.A., a national banking association ("Assignor"), to SHOE HOLDINGS, LLC, a California limited liability company ("Assignee").

RECITALS:

1. Assignor is the legal and equitable owner and holder of that certain promissory note (the "Note") in the original principal sum of \$3,500,000.00 made by Assignor to Pacific Shoe Corporation, a California corporation and Beverly Hills Shoe Incorporated, a California corporation, (collectively referred to herein as "Borrower") and the notes consolidated thereby as described on Schedule I hereto; and

2. The Note is governed, evidenced and secured by, among other documents, instruments and security, those documents and instruments described on Schedule II hereto (collectively all such documents, instruments and security referred to herein as the "Security Instruments").

AGREEMENT:

NOW, THEREFORE, Assignor, as the legal and equitable owner and holder of the Note, for and in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SELLS, TRANSFERS, ASSIGNS, GRANTS and CONVEYS unto Assignee, the Note and the Security Instruments, together with any and all liens, security interests, rights, equities, remedies, privileges, titles and interests securing the payment and performance of the Note and obligations under the Security Instruments. This assignment is made **WITHOUT RECOURSE, COVENANT, REPRESENTATION OR WARRANTY** of any kind or nature whatsoever, express or implied, except as specifically set forth in the following paragraph.

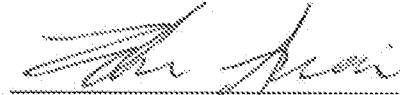
Assignor covenants, warrants and represents that (i) as of the date of this Assignment, the outstanding principal balance of the Note is \$2,961,407.77, (ii) Assignor is the present legal and equitable owner and holder of the Note, (iii) Assignor has not previously assigned the Note or the Security Instruments or any rights, title or interest therein, and (iv) Assignor has full power and authority to transfer and assign the Note and the Security Instruments.

[balance of page intentionally left blank]

IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment as of the date first written above.

CITIBANK, N.A.,  
a national banking association

By:




Name: Zeba Ansari  
Title: Its Attorney in Fact

STATE OF Texas )

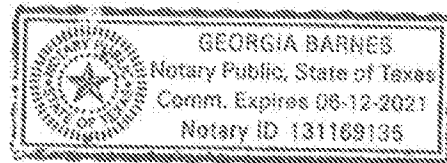
COUNTY OF Dallas )

ss:

On the 22 day of April in the year 2020, before me, the undersigned, personally appeared Zeba Ansari, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



Notary Public



**SCHEDULE I**

Promissory Note dated December 28, 2012, in the original principal amount of \$3,500,000.00 executed by Pacific Shoe Corporation and Beverly Hills Shoe Incorporated in favor of Citibank, N.A.

## SCHEDULE II

Change in Terms Agreement and Acknowledgment by Guarantor dated August 1, 2014;

Corporate Resolution to Borrow/Grant Collateral dated December 28, 2012, by Pacific Shoe Corporation;

Corporate Resolution to Borrow/Grant Collateral dated December 28, 2012, by Beverly Hills Shoe Incorporated;

Business Loan Agreement dated December 28, 2012;

Business Loan Agreement (Asset Based) dated January 27, 2016;

Commercial Security Agreement dated December 28, 2012, by Pacific Shoe Corporation; Beverly Hills Shoe Incorporated; Bacco Bucci Holdings, LLC; California Shoe Group, LLC; and Shoe Concepts, Inc.;

Limited Liability Company Resolution to grant Collateral/Guarantee dated December 28, 2012, by Bacco Bucci Holdings, LLC;

Limited Liability Company Resolution to grant Collateral/Guarantee dated January 15, 2016, by Bacco Bucci Holdings, LLC;

Limited Liability Company Resolution to grant Collateral/Guarantee dated December 28, 2012, by California Shoe Group, LLC;

Limited Liability Company Resolution to grant Collateral/Guarantee dated January 15, 2016, by California Shoe Group, LLC;

Corporate Resolution to grant Collateral/Guarantee dated December 28, 2012, by Shoe Concepts, Inc.;

Commercial Security Agreement dated January 15, 2016, by Pacific Shoe Corporation;

Commercial Security Agreement dated January 15, 2016, by Beverly Hills Shoe Incorporated;

Commercial Security Agreement dated January 15, 2016, by Bacco Bucci Holdings, LLC;

Commercial Security Agreement dated January 15, 2016, by California Shoe Group, LLC;

Commercial Security Agreement dated January 15, 2016, by Shoe Concepts, Inc.;

Commercial Guaranty in favor of Citibank dated December 28, 2012, by Antonio Sanchez;

Commercial Guaranty in favor of Citibank dated December 28, 2012, by Catherine D. Sanchez;

Commercial Guaranty in favor of Citibank dated December 28, 2012, by Bacco Bucci Holdings, LLC;

Commercial Guaranty in favor of Citibank dated December 28, 2012, by California Shoe Group, LLC;

Commercial Guaranty in favor of Citibank dated December 28, 2012, by The Sanchez Family Living Trust;

Commercial Guaranty in favor of Citibank dated December 28, 2012, by Shoe Concepts, Inc.;

Trust Certificate dated December 28, 2012, relating to The Sanchez Family Living Trust;

Certificate of Trust LLC Member dated December 28, 2012, relating to The Sanchez Family Living Trust, as Member of Bacco Bucci Holdings, LLC;

Certification of Trust dated December 31, 2012, relating to The Sanchez Family Living Trust under agreement dated September 28, 1995;

Alternative Dispute Resolution Agreement dated December 28, 2012, by Pacific Shoe Corporation;

Alternative Dispute Resolution Agreement dated December 28, 2012, by Beverly Hills Shoe Incorporated;

Alternative Dispute Resolution Agreement dated December 28, 2012, by Antonio Sanchez;

Alternative Dispute Resolution Agreement dated December 28, 2012, by Catherine Sanchez;

Alternative Dispute Resolution Agreement dated December 28, 2012, by Bacco Bucci Holdings, LLC;

Alternative Dispute Resolution Agreement dated December 28, 2012, by California Shoe Group, LLC;

Alternative Dispute Resolution Agreement dated December 28, 2012, by The Sanchez Family Living Trust;

Alternative Dispute Resolution Agreement dated December 28, 2012, by Shoe Concepts, Inc.;

Incumbency Certificate dated December 31, 2012, relating to Pacific Shoe Corporation;

Incumbency Certificate dated December 31, 2012, relating to Beverly Hills Shoe Incorporated;

Incumbency Certificate dated December 31, 2012, relating to Bacco Bucci Holdings, LLC;

Incumbency Certificate dated December 31, 2012, relating to California Shoe Group, LLC;

Incumbency Certificate dated December 31, 2012, relating to Shoe Concepts, Inc.;

Trademark Security Agreement dated as of July 1, 2019, by Pacific Shoe Corporation;

UCC-1 Financing Statement relating to Pacific Shoe Corporation and Beverly Hills Shoe Incorporated, Bacco Bucci Holdings, LLC, California Shoe Group, LLC, Shoe Concepts, Inc., filed on January 4, 2013, as Filing No.: 13-7343561588;

UCC-1 Financing Statement relating to Pacific Shoe Corporation filed on January 4, 2013, as Filing No.: 13-7343561588;

Deed of Trust dated May 9, 2019, relating to the real property commonly known as 5951 Skylab Road, Huntington Beach, California 92647, recorded in the Official Records of Orange County, as Document No.: 2019000232250; and

Modification/Forbearance Agreement effective July 1, 2019, entered into by and between Pacific Shoe Corporation and Beverly Hills Shoe Incorporated, Shoe Concepts, Inc., Bacco Bucci Holdings, LLC, California Shoe Group, LLC, Antonio Sanchez, Catherine D. Sanchez, and The Sanchez Family Living Trust, on the one hand, and Citibank, N.A., on the other hand.



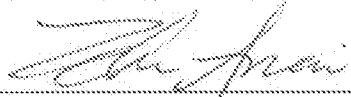
ALLONGE

ALLONGE TO NOTE(S) MORE FULLY DESCRIBED ON EXHIBIT "A"  
ATTACHED HERETO AND MADE A PART HEREOF.

Pay to the order of Shoe Holdings LLC, a California limited liability company, without  
recourse, representation, covenant or warranty of any kind whatsoever.

Dated: April 16, 2020

CITIBANK, N.A.,  
a national banking association

By: 

Name: Zeba Ansari

Title: Its Attorney in Fact

Exhibit "A"

Promissory Note dated December 28, 2012, in the original principal amount of \$3,500,000.00 executed by Pacific Shoe Corporation and Beverly Hills Shoe Incorporated in favor of Citibank, N.A.

**TRADEMARK  
SECURITY AGREEMENT**

THIS TRADEMARK SECURITY AGREEMENT ("Agreement") dated as of July 1, 2019, is made by Pacific Shoe Corporation, a California corporation (the "Grantor"), in favor of Citibank, N.A. ("Grantee")

RECITALS:

A. Grantor is obligated to Grantee pursuant to certain loan documents, as amended from time to time (collectively, "Loan Documents") executed by Borrowers in favor of Grantee, as more particularly described in that certain Modification/Forbearance Agreement dated as of even date herewith ("Forbearance"), executed by and among Grantor and Grantee, and others, pursuant to which this Agreement is being executed by Grantor. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Forbearance.

B. The obligations of Grantor to Grantee are secured by all of Grantor's right, title and interest in assets as provided under that certain Commercial Security Agreement dated as of December 28, 2012, executed by Grantor to and in favor of Grantee.

C. Grantor has agreed, inter alia, to reaffirm and to grant Grantee a security interest in certain general intangibles including the Intellectual Property Collateral (hereinafter defined).

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

1. Defined Terms. The following terms have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

"Agreement" means this Trademark Security Agreement, as the same may from time to time be amended, modified or supplemented.

"Borrower" means Pacific Shoe Corporation and Beverly Hills Shoe Incorporated and includes all co-signers and co-makers under the Loan Documents and all their successors and assigns.

"Intellectual Property Collateral" has the meaning assigned to such term in Section 2 of this Agreement.

"Licenses" means license agreements granting Grantor any interest in intellectual property and any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, royalties, damages and payments now and hereafter due or payable to Grantor with respect thereto, including, without limitation, damages and payments for past or future violations or infringements thereof and (iii) rights to sue for past, present and future violations or infringements thereof.

"Trademarks" means trademarks (including service marks, trade names, and domain names, whether registered or at common law), registrations and applications therefor and any and all (i) renewals thereof, (ii) income, royalties, damages and payments now and hereafter due or payable or both with respect thereto including, without limitation, damages and payments for past or future infringements thereof, (iii) rights to sue for past, present and future infringements thereof, and (iv) rights corresponding thereto throughout the world.

"Trade Secrets & Proprietary Information" means all information not generally known to the public for which reasonable steps have been taken to maintain such information secret and confidential information used in connection therewith, including, but not limited to technical data and know-how that includes but is not limited to that which relates to research, product plans, products, services, customers, markets, product performance and repair data, software, developments, inventions, processes, designs, drawings, engineering, hardware configuration information, and information involving the marketing or finances of Grantor, suppliers and supplier contacts, customers and customer contacts.

The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including the Exhibits and Schedules hereto, and not to any particular section, subsection or clause contained in this Agreement.

2. Grant of Security Interest in Intellectual Property. In order to secure the prompt payment and performance of any and all obligations of Borrower to Grantee, Grantor hereby grants and conveys to the Grantee as collateral security, a continuing security interest in all of Grantor's entire right, title and interest in and to intellectual property rights now owned or existing and hereafter acquired or arising in the following assets (all of which being hereinafter referred to as the "Intellectual Property Collateral"):

(i) all Trademarks of Grantor including, without limitation, the Trademarks listed on Schedule A hereto;

(ii) all Copyrights of the Grantor including, without limitation, the Copyrights listed on Schedule B hereto;

(iii) all Licenses of Grantor including, without limitation, the Licenses listed on Schedule C hereto; and

(iv) the entire goodwill of Grantor's business connected with the use of and symbolized by the Trademarks; and

(v) all Trade Secrets & Proprietary Information of the Grantor; provided, however, that nothing hereunder constitutes or shall be deemed to constitute the grant of a security interest in favor of the Grantee with respect to any Intellectual Property Collateral to the extent prohibited by applicable law.

Grantor hereby authorizes Grantee to file any and all UCC Financing Statements and United States Patent and Trademark Office ("USPTO") filings and assignments as may be necessary and/or appropriate to perfect the lien herein granted and to provide appropriate notice thereof. Upon Grantee's request Grantor shall reasonably cooperate, without charge, in completing such filings and any other necessary or appropriate actions to perfect or give notice of the liens herein created.

3. Representations and Warranties: New Intellectual Property. (a) Grantor represents and warrants that it has the full right and power to grant the security interests provided for in this Agreement (subject to the exceptions contained herein) in the Trademarks, Secrets & Proprietary Information, and Licenses made hereby; that it has made no previous assignment, transfer or agreements in conflict herewith or constituting an assignment of, a transfer of or an encumbrance on any of the Trademarks, Secrets & Proprietary Information and Licenses. Grantor further represents and warrants that (i) Schedule A, lists all Trademarks, which are material to any portion of its business or any of Grantor's subsidiaries or affiliates, (ii) to the best of Grantor's knowledge as of the date of this Agreement, the Intellectual Property Collateral does not infringe upon any rights owned or possessed by any entity not a party to this Agreement and, (iii) that it has delivered copies of all Licenses owned or used by Grantor or any of Grantor's subsidiaries or affiliates.

(b) In the event, prior to the time the obligations of Borrower to the Grantee have been indefeasibly paid in full, Grantor shall (i) obtain any rights to or interests in any new inventions, whether or not patentable, or trademarks, trade names, domain names, service marks, and applications therefor, or licenses, or (ii) become entitled to the benefit of any trademark application, trademark, trademark registration or license renewal, the provisions of this Agreement shall automatically apply thereto and anything enumerated in clauses (i) or (ii) shall constitute Intellectual Property Collateral. Grantor shall give to the Grantee prompt written notice thereof. Grantor agrees, promptly following the written request by the Grantee, to amend this Agreement by amending Schedule A, as applicable, to include any such future trademarks, trademark registrations, trademark applications, trade names, domain names, service marks, trade secrets, patents, syndication rights, franchises and licenses which would be Intellectual Property Collateral.

4. Rights and Remedies: Application of Monies.

(a) Upon the occurrence and during the continuation of an Event of Default of any or all of Borrower's obligations to the Grantee, the Grantee may, to the fullest extent permitted by applicable law and without advertisement, hearing or process of law of any kind, (i) exercise any and all rights as beneficial and legal owner of the Intellectual Property Collateral, including, without limitation, any and all consensual rights and powers with respect to the Intellectual Property Collateral and (ii) sell or assign or grant a license or franchise to use, or cause to be sold or assigned or grant a license or franchise to use any or all of the Intellectual Property Collateral, in each case, free of all rights and claims of Grantor therein and thereto. Upon the occurrence and during the continuation of a default of any or all of Borrower's obligations to the Grantee, the Grantee may (i) sell or assign the Intellectual Property Collateral, or any part thereof, for cash or upon credit as the Grantee may deem appropriate or (ii) grant licenses or franchises or both to use the Intellectual Property Collateral on such terms and conditions that the Grantee shall determine. In connection therewith, the Grantee shall have the right to impose such limitations and restrictions

on the sale or assignment of the Intellectual Property Collateral as the Grantee may deem to be necessary or appropriate to comply with any law, rule or regulation (federal, state or local) having applicability to any such sale and requirements for any necessary governmental approvals.

(b) Except as provided in this Section 4, Grantor hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Grantee of any of its rights and remedies hereunder. The Grantee shall not be liable to any person for any incorrect or improper payment made pursuant to this Section 4, in the absence of willful misconduct.

(c) Notwithstanding any provisions of this Agreement to the contrary, if, after giving effect to any sale, transfer, assignment or other disposition of any or all of the Intellectual Property Collateral pursuant hereto and after the application of the proceeds hereunder to the obligations of Borrower to the Grantee, any said obligations remain unpaid or unsatisfied, Grantor shall remain liable for the unpaid and unsatisfied amount of such remaining obligations.

(d) This Agreement is made to provide for and secure repayment of the obligations of Borrower to the Grantee.

5. Termination of Security Interest. This Agreement and the security interests created or granted hereby or thereby, shall terminate when the later of the following shall have occurred: (a) the date that all of the obligations of Borrower to the Grantee shall have been fully and indefeasibly paid and satisfied and (b) the date as of which the last of the commitments and related documents and instruments have terminated with respect to the Loan Documents. After such termination, the Grantee (without recourse upon, or any warranty whatsoever by, the Grantee), shall execute and deliver to Grantor for filing in each office in which any security agreement, notice or other filing, or any part thereof, shall have been filed, an instrument releasing the Grantee's security interest in the Intellectual Property Collateral, and such other documents and instruments to terminate any security interest of the Grantee granted hereby as the Grantor may reasonably request, all without recourse upon, or warranty whatsoever by, the Grantee (except that the same shall be free and clear of any claims, liens or encumbrances created by or in respect of the Grantee) and all at the cost and expense of Grantor.

6. Use and Protection of Intellectual Property Collateral. Notwithstanding anything to the contrary contained herein, unless an Event of Default has occurred and is continuing, Grantor may continue to exploit, license, franchise, use, enjoy and protect (whether in the United States of America or any foreign jurisdiction) the Intellectual Property Collateral in the ordinary course of business and the Grantee shall from time to time execute and deliver, upon written request of Grantor and at Grantor's sole cost and expense, any and all instruments, certificates or other documents, in the form so requested, necessary or appropriate in the judgment of Grantor to enable Grantor to do so.

7. Duties of Grantor. Grantor shall have the duty to preserve and maintain all rights in the Intellectual Property Collateral in respect of which a failure to be able to continue to use the same would have a material adverse effect on the ownership, operation or maintenance of its business and operations, in a manner substantially consistent with its present practices and shall

take all action reasonably requested by the Grantee to register, record and/or perfect the Grantee's right hereunder.

8. The Grantee's Right to Sue. Whenever Borrowers shall have defaulted in any or all of its obligations to the Grantee, the Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if the Grantee shall commence any such suit, Grantor shall, at the request of the Grantee, do any and all lawful acts and execute any and all lawful documents required by the Grantee in aid of such enforcement.

9. No Waiver: Cumulative Remedies. No failure on the part of the Grantee to exercise, and no delay on the part of the Grantee in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy by the Grantee preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies that may be available to the Grantee whether at law, in equity or otherwise.

10. Expenses of Collection. Grantor hereby agrees to pay all expenses of the Grantee, including attorneys' fees, incurred with respect to the collection of any of the Intellectual Property Collateral and the enforcement of the rights of the Grantee hereunder which expenses together with interest thereon at the rate provided in the Loan Documents shall constitute obligations of Grantor to the Grantee thereunder and, therefore, secured hereby.

11. Attorney-in-Fact. Grantor hereby irrevocably constitutes and appoints the Grantee and any officer or agent thereof, with full power of substitution, as Grantor's true and lawful attorney-in-fact, for the purpose of taking such action and executing agreements, instruments and other documents, in the name of Grantor or otherwise, not inconsistent with the express provisions of this Agreement, as the Grantee may deem necessary or advisable to accomplish the purposes hereof, which appointment is an agency coupled with an interest and is irrevocable until payment in full of all obligations of Borrower to the Grantee.

The Grantee agrees that except upon the occurrence and during the continuation of an Event of Default, it will forbear from exercising the power of attorney or any rights granted to the Grantee pursuant to this Section 12.

12. Agreement Governing Law: Binding Character: Assignment. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of law. This Agreement shall be binding upon Grantor and the Grantee and their respective successors and assigns and shall inure to the benefit of Grantor and the Grantee, and their respective successors and assigns; provided, however, that Grantor may not assign its rights or obligations hereunder or in connection herewith or any interest herein (voluntarily, by operation of law or otherwise) without the prior written consent of the Grantee. No other person (including, without limitation, any other creditor of Grantor) shall have any interest herein or any right or benefit with respect hereto and this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement and each of their respective successors and assigns.

13. Further Indemnification. Grantor agrees to pay, and save the Grantee harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all excise, sales or other similar taxes which may be payable with respect to the Intellectual Property Collateral or in connection with any of the transactions contemplated by this Agreement.

14. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

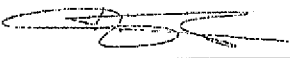
15. Headings. Paragraph and section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

16. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

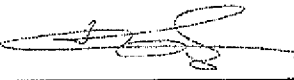
**GRANTOR:**


**PACIFIC SHOE CORPORATION,**  
a California corporation

By:   
Antonio Sanchez, President

**BORROWER:**

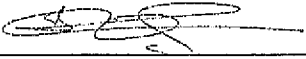
**PACIFIC SHOE CORPORATION,**  
a California corporation


By:   
Antonio Sanchez, President

By:   
Catherine D. Sanchez, Vice President



**BEVERLY HILLS SHOE INCORPORATED,**  
a California corporation

By:   
Antonio Sanchez, President

By:   
Catherine D. Sanchez, Vice President

STATE OF CALIFORNIA                    )  
COUNTY OF \_\_\_\_\_                ) ss:  
  )

On \_\_\_\_\_, 2013 before me, \_\_\_\_\_, a notary in and for the State of California, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

SCHEDULE A  
to the  
Trademark  
Security Agreement

Trademarks

1. Registration Number 3443055 Registered June 3, 2008, with the United States Patent and Trademark Office
2. Registration Number 2920747, Registered January 25, 2005, with the United States Patent and Trademark Office
3. Registration Number 3670298, Registered August 18, 2009, with the United States Patent and Trademark Office
4. Registration Number 2400686, Registered October 31, 2000, with the United States Patent and Trademark Office
5. Registration Number 1891185, Registered April 25, 1995, with the United States Patent and Trademark Office