

FORM PTO-1594 (Rev. 6-93)

5-13-99

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05-18-1999

SHEET

U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

OMB No. 0651-0011 (exp. 4/94)



Tab settings

To the Honorable Commissioner of Patents 101039072

Attached original documents or copy thereof.

1. Name of conveying party(ies): Intershoe, Inc. a New York corporation

- Individual(s), General Partnership, Corporation-State, Other

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

- Nature of conveyance: Assignment, Security Agreement, Merger, Change of Name, Other

Execution Date: April 28, 1999

2. Name and address of receiving party(ies)

Name: Planet Luv-tron, Inc.

Internal Address:

Street Address: 6212 Belmont Way

City: West Linn State: OR ZIP: 97068

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State Oregon, Other

If assignee is not domiciled in the United States, a domestic representative designation 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) 75/123,951 classes 25 and 35 (formerly class 42)

B. Trademark Registration No.(s) 2,075,898 (class 25)

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Thomas W. Stilley

Internal Address:

Street Address: 1000 SW Broadway Suite 1400

City: Portland State: OR ZIP: 97205

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41) \$ 65.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

05/17/1999 INQUIRY 00000267 2075898

DO NOT USE THIS SPACE

FC:481 40.00 DP, FC:482 25.00 DP

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.

Thomas W. Stilley Name of Person Signing

Signature

5/12/99 Date

Total number of pages including cover sheet, attachments, and document:

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks, Box Assignments

SECURITY AGREEMENT

PARTIES

"Grantor": Intershoe, Inc., a New York corporation
"Secured Party": Planet Luv-tron, Inc., an Oregon corporation
Date: April 30, 1999

1. GRANT OF SECURITY INTEREST

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby grants, transfers, and assigns to Secured Party a lien upon and security interest in the following trademark registrations, trademarks or service marks, whether now owned or existing or hereafter acquired or created (hereinafter called "Collateral"):

LONDON UNDERGROUND, LU, and the designs associated therewith and any variants thereof, whether registered trademarks, common law trademarks, trademarks covered by pending trademark applications, including the trademarks covered by U.S. Reg. Appl. No. 75/123,951 (Classes 25 and 35 (formerly Class 42)); U.S. Reg. No. 2,075,898 (Class 25); Argentina Reg. No. 2,080,343 (Class 25); Australia Reg. No. 716538 (Class 25); Benelux Reg. No. 599389 (Classes 14,25, and 35); Brazil Reg. Appl. No. 819926914 (Class 25); Canada Reg. Appl. No. 898,071 (Classes 14 and 25); China Reg. No. 1150685 (Class 25); France Reg. No. 96645525 (Classes 14 and 25); Germany Reg. No. 39642504 (Class 25); Hong Kong Reg. Appl. No. 96 12500 (Class 25); Indonesia Reg. Appl. No. D9624346 (Class 25); Italy Reg. No. M196C008572 (Class 25); Japan Reg. Appl. No. 134184/96 (Class 25); Korea Reg. No. 396042 (Class 25/Korean 27); Mexico Reg. Appl. No. 282,372 (Class 25); New Zealand Reg. Appl. No. 267667 (Class 25); Philippines Reg. Appl. No. 114506 (Class 25); Taiwan Reg. No. 831522 (Class 25); Thailand Reg. Appl. No. 321457 (Class 25); and United Kingdom Reg. Appl. No. 2136591 (Class 25),

together with that part of the goodwill of the business of Grantor connected with the use of and symbolized by the trademarks.

2. OBLIGATIONS SECURED

The security interest granted herein secures payment and performance of the Grantor's obligations to the Secured Party as evidenced by that certain Trademark Assignment Agreement (the "Trademark Assignment Agreement") and that certain Consulting Agreement (the "Consulting Agreement") of approximately even date herewith, and all modifications and amendments thereto.

3. GRANTOR'S REPRESENTATIONS, WARRANTIES, AND COVENANTS

Grantor represents, warrants, and covenants to Secured Party as follows:

3.1 Lien Priority. The Collateral is owned by Grantor free and clear of all liens, encumbrances, and claims of anyone else whatsoever except the lien created by this Security Agreement. Grantor further agrees not to grant any senior or pari passu security interest in the Collateral or to permit any involuntary lien or encumbrance to attach to the Collateral.

3.2 Payment and Performance. Grantor agrees to perform all of its obligations under this Security Agreement and under all agreements secured hereby.

3.3 UCC Financing Statements and Registration. Grantor authorizes Secured Party, at Secured Party's expense, to file a copy of this Security Agreement, and/or one or more UCC-1 financing statements, continuation statements, amendments, and termination statements related thereto, and Grantor agrees to execute such documents as necessary and as requested by Secured Party to perfect its security interest in the Collateral.

3.4 Location of Business. Grantor's chief executive office and principal place of business is located at 57 Seaview Blvd., Port Washington, New York 11050. Grantor shall not change the location of its principal place of business or of its chief executive office without prior written notification to Secured Party.

3.5 Sale of Collateral in Accordance with Trademark Assignment Agreement. Any sale of the Collateral shall be in accordance with the terms of the Trademark Assignment Agreement.

3.6 Taxes and Other Liens. Grantor agrees to pay when due all taxes and assessments, governmental charges, claims for labor, supplies, rent, and other obligations which, if unpaid, might become a lien against the Collateral.

3.7 Performance of Obligations. The Grantor will do, pay, and perform every material action and discharge all of the material obligations provided to be performed and discharged under this Security Agreement, the Trademark Assignment Agreement, and the Consulting Agreement.

3.8 Change in Name. Grantor will not change its name or start doing business under an assumed business name or change any assumed business name without prior written notification to Secured Party.

3.10 Preservation of Collateral. Grantor will preserve the Collateral, protect it from misuse, and use and maintain the Collateral in a careful and proper manner and in conformity with applicable statutes, laws, ordinances, and regulations and with all required permits and licenses.

4. EVENTS OF DEFAULT

Each and all of the following shall be events of default under this Security Agreement:

4.1 Default in the payment, when due or payable, of any obligations of Grantor to Secured Party under the Trademark Assignment Agreement or Consulting Agreement;

4.2 The failure of Grantor to perform when due any other material obligation of Grantor to Secured Party under the Trademark Assignment Agreement or Consulting Agreement, subject to the cure provisions set forth in those agreements;

4.3 Any representation or warranty made by the Grantor herein or in the Trademark Assignment Agreement or Consulting Agreement proves to have been untrue or misleading when made;

4.4 Grantor terminates the Trademark Assignment Agreement or Consulting Agreement without cause as defined therein;

4.5 Grantor becomes insolvent, seeks relief under the Bankruptcy Code or any similar insolvency law, becomes the subject of a petition thereunder, calls a meeting of creditors, makes an assignment for the benefit of creditors, suspends its business, fails or is unable to pay its debts when due, suffers the appointment of a receiver or a custodian, is adjudged bankrupt or if the equivalent of any such proceedings or act occurs.

5. REMEDIES UPON DEFAULT

Upon the occurrence of any of the above events of default, Secured Party shall have, in addition to all of the rights and remedies of a secured party at law and in equity and under this Security Agreement, the Trademark Assignment Agreement and the Consulting Agreement, the remedies of a secured party under the Uniform Commercial Code of New York. All the rights, privileges, powers, and remedies of Secured Party shall be cumulative.

6. TERMINATION OF SECURITY INTEREST

The security interest granted herein shall terminate upon the earlier to occur of (i) four (4) years from the date hereof and (ii) the date of any termination of the Trademark Assignment Agreement or Consulting Agreement with cause by Intershoe as defined therein. Upon such termination, Secured Party will take all necessary steps to terminate Secured Party's security interest in the Collateral.

7. ATTORNEYS FEES; COSTS

In the event either party finds it necessary to seek any remedy or commence any action for the enforcement of any provision of this Security Agreement, the prevailing party shall be entitled to all reasonable attorney fees and litigation expenses incurred in connection therewith, including attorney fees and litigation expenses in arbitration, at trial and on any appeals, including any proceedings in bankruptcy court whether or not involving issues peculiar to bankruptcy law.

8. NOTICE

Each demand, notice, or other communication required hereunder or under applicable law shall be in writing, and shall be sent postage prepaid by registered or certified mail, return receipt requested, facsimile, or courier service, to the addresses set forth in Section 15 of the Trademark Assignment Agreement or to such other address as each party shall designate by written notice from time-to-time. Notice shall be effective upon receipt.

9. CONSTRUCTION AND GOVERNING LAW

As used herein, the singular includes the plural, the plural includes the singular, and masculine, feminine, and neuter mean each other, all as the context so requires or indicates. All the terms herein and the rights, duties and remedies of the parties shall be governed by the law of the State of New York without regard to principles of conflict of laws. Any controversy or claim arising out of or relating to this Security Agreement shall be settled by arbitration under the rules of arbitration of the American Arbitration Association and arbitration shall take place in New York, New York.

10. SUCCESSORS AND ASSIGNS

All covenants and agreements herein contained by or on behalf of the Grantor and Secured Party shall bind their successors and assigns and shall inure to the benefit of the Grantor and Secured Party and their successors and assigns. It is expressly understood by Secured Party that Secured Party shall not assign, pledge, hypothecate, set over, deliver, sell, resell, grant, convey or otherwise transfer, in whole or in part, to any third party, the security interest granted hereunder, including but not limited to any trustee in bankruptcy or creditor (whether secured or unsecured) of the Secured Party or any entity or person affiliated with the Secured Party.

11. SEVERABILITY

In the event any one or more of the provisions contained in this Security Agreement shall for any reason be held to be invalid, illegal, or unenforceable, such provision or provisions shall not affect any other provision of the Security Agreement, and in lieu of such invalid, illegal, or unenforceable provision there shall be automatically added a provision as similar in terms to such invalid, illegal, or unenforceable provision as may be possible and as may be valid, legal, and enforceable.

12. PARAGRAPH HEADINGS

Paragraph headings are for reference only and shall not affect the interpretation or meaning of any provision in this Security Agreement.

13. TIME IS OF THE ESSENCE

Grantor agrees that time shall be of the essence in performing any act under this Security Agreement and under any instrument or document executed in connection herewith.

14. AMENDMENTS; WAIVER; MODIFICATION, ETC.

No amendment, waiver, modification or cancellation of any term or condition of this Security Agreement shall be effective unless executed in writing by the party charged therewith. No waiver by either party of any breach of this Security Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or of any other provision hereof. The exercise of any right granted to either party hereunder shall not operate as a waiver.

IN WITNESS WHEREOF Grantor has caused this Security Agreement to be executed by a duly authorized person as of the date hereinabove written.

Grantor:

INTERSHOE, INC.

By: Michael Hoke

Michael Hoke

Title: CFO

Secured Party:

PLANET LUV-TRON, INC.

By: William A. Berman
William A. Berman
President

STATE OF NEW YORK

COUNTY OF NEW YORK

On this 19th day of April, 1999, before me personally came Michael Hoke to me known, who, being by me duly sworn, did depose and say that he resides in Suffolk County, that he is the Chief Financial Officer of Inter shoe Corporation, the corporation described in and which executed the above instrument, that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

Robert C. McCarron
Notary Public

ROBERT C. McCARRON
Notary Public, State of New York
No. 41-4818951
Qualified in New York County
Commission Expires February 08, 2000

STATE OF OREGON

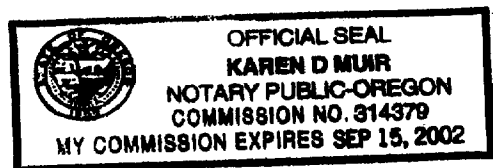
COUNTY OF MULTNOMAH

On this 29th day of April, 1999, before me personally came William A. Berman to me known, who, being by me duly sworn, did depose and say that he resides in West Linn, Oregon, that he is the President of Planet Luv-tron, Inc., the corporation described in and which executed the above instrument, that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

Dee Dee Meui
Notary Public

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Secured Party:

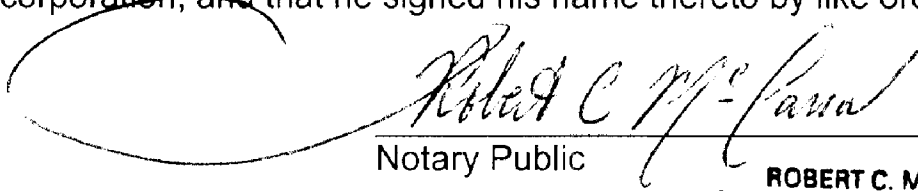
PLANET LUV-TRON, INC.

By: _____

William A. Berdan
President

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On this 28th day of April, 1999, before me personally came Michael Hoke to me known, who, being by me duly sworn, did depose and say that he resides in Suffolk, that he is the Chief Financial Officer of Intershoe Corporation, the corporation described in and which executed the above instrument, that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.



Notary Public

ROBERT C. McCARRON
Notary Public, State of New York
No. 41-4918951
Qualified in New York County
Commission Expires February 08, 2000

STATE OF OREGON)
) ss:
COUNTY OF MULTNOMAH)

On this _____ day of _____, 1999, before me personally came William A. Berdan to me known, who, being by me duly sworn, did depose and say that he resides in West Linn, Oregon, that he is the President of Planet Luv-tron, Inc., the corporation described in and which executed the above instrument, that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

Notary Public

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