

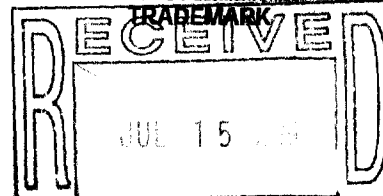
07-21-1999

FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027



101095954

U.S. Department of Commerce
Patent and Trademark Office



7-15-99

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year _____
- Merger
- Change of Name
- Other _____

Conveying Party

Mark if additional names of conveying parties attached

Name Planet Luv-Tron, Inc.

Execution Date
Month Day Year
04/28/99

Formerly _____

- Individual General Partnership Limited Partnership Corporation Association
- Other _____
- Citizenship/State of Incorporation/Organization Oregon

Receiving Party

Mark if additional names of receiving parties attached

Name Intershoe, Inc.

DBA/AKA/TA _____

Composed of _____

Address (line 1) 57 Seaview Blvd.

Address (line 2) _____

Address (line 3) Port Washington

New York

11050

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other _____
- Citizenship/State of Incorporation/Organization New York

07/20/1999 DMGUYEN 00000346 75123951

FOR OFFICE USE ONLY

01 FC:481 40.00 DP
02 FC:482 25.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41) \$

Method of Payment: Enclosed Deposit Account

Deposit Account
(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Rosemary Fanelli

Rosemary Fanelli

7/15/99

Name of Person Signing

Signature

Date Signed

EXECUTION COPY

TRADEMARK ASSIGNMENT AGREEMENT

This Agreement is entered into as of April 28, 1999, by and among PLANET LUV-TRON, INC., an Oregon corporation ("PLT"), INTERSHOE, INC., a New York corporation ("Intershoe"), EDWARD C. GOETZ, III ("Goetz") and WILLIAM A. BERDAN ("Berdan," together with Goetz, the "Consultants").

RECITALS

WHEREAS, PLT is the owner by assignment of the following trademark registrations, trademarks or service marks (collectively, the "Trademarks"):

LONDON UNDERGROUND, LU, and the designs associated therewith and any variants thereof, whether registered trademarks, common law trademarks, service marks, 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. App. 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. No. 400464 (Class 25); Italy Reg. No. MI96C008572 (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. No. 2136591 (Class 25 - LU Design only) (collectively, the "Registrations").

WHEREAS, Intershoe is desirous of owning and using the Trademarks for the manufacture, sale (retail and wholesale), and distribution of any and all products, including but not limited to shoes, boots, sandals, clothing and jewelry (collectively, the "Products") as well as in connection with retail store services throughout the world.

NOW, THEREFORE, the parties agree as follows:

1. ASSIGNMENT OF TRADEMARKS

PLT hereby sells, assigns and transfers to Intershoe, subject to the security interest hereinafter reserved, all of PLT's right, title and interest in and to the Trademarks (including each of the Registrations) along with any right, title and interest of the Consultants therein, together with that part of the goodwill of the business of PLT (and any predecessors in interest thereto) connected with the use of and symbolized by the Trademarks.

2. TERM OF AGREEMENT

The term of this Agreement shall be for ten (10) years commencing as of February 1, 1999, unless sooner terminated in accordance with the termination provisions set forth herein (the "Term").

3. TRADEMARKS PURCHASE PRICE

(a) Base Purchase Price. The Trademarks purchase price shall be \$100,000 (the "Base Purchase Price") payable in twenty-four (24) equal monthly installments of \$4,166.67 (the "Purchase Price Installments") each payable on the first day of each of the first twenty-four (24) months of the Term.

(b) Contingent Purchase Price. Commencing on the date the Products are first shipped, for each twelve-month period thereafter for which the Agreement is in effect (each, a "Period Year"), in addition to the Base Purchase Price, Intershoe shall pay PLT a contingent purchase price for the Trademarks ("Contingent Purchase Price") which will be calculated as follows:

- (i) In each of the first two (2) Period Years: 0% of Net Sales (as defined below) from \$0 to \$7,000,000 during the applicable Period Year; 5% of Net Sales from

\$7,000,001 to \$10,000,000 for the applicable Period Year; 4% of Net Sales from \$10,000,001 to \$20,000,000 for the applicable Period Year; and 3% of Net Sales over \$20,000,000 in the applicable Period Year;

- (ii) In each of the next two (2) Period Years: 0% of Net Sales from \$0 to \$8,000,000 during the applicable Period Year; 5% of Net Sales from \$8,000,001 to \$10,000,000 for the applicable Period Year; 4% of Net Sales from \$10,000,001 to \$20,000,000 for the applicable Period Year; and 3% of Net Sales over \$20,000,000 in the applicable Period Year;
- (iii) In each of the next three (3) Period Years: 0% of Net Sales from \$0 to \$14,500,000 during the applicable Period Year; 2% of Net Sales from \$14,500,001 to \$25,000,000 for the applicable Period Year; and 1% of Net Sales over \$25,000,000 during the applicable Period Year; and
- (iv) In each of the next three (3) Period Years: 2% of Net Sales from \$0 to \$25,000,000 during the Applicable Period Year; and 1% of Net Sales over \$25,000,000 in the applicable Period Year;

provided, however, that the Contingent Purchase Price paid with respect to any Products sold as samples and any Products sold in close-out sales or as factory seconds will be equal to 50% of the Contingent Purchase Price that would otherwise be due hereunder with respect to such sales. "Net Sales" means, for any period, the amounts invoiced to Intershoe's third-party retail customers or otherwise charged by Intershoe for all Products sold during such period by Intershoe less transportation costs, interest charges for deferred payments, and the sum of all refunds actually made or allowed to customers for returned Products.

(c) Payment of Contingent Purchase Price; Crediting. Contingent Purchase Price payments shall be calculated on a monthly basis throughout the applicable Period Year and shall be made on the 25th day (or the first business day thereafter if such day be a Saturday, Sunday or holiday) of the following month (each, a “Monthly Contingent Purchase Price Payment”). At the end of each month, prior to payment of any Monthly Contingent Purchase Price Payment, fifty percent (50%) of all expenses incurred during the relevant month by Intershoe in connection with resolving disputes related to the Trademarks including, without limitation, registrations of the Trademarks, legal fees, settlement amounts, royalties, judgments, awards and any other expenses incurred in connection therewith shall be credited against the Monthly Contingent Purchase Price Payment due and owing at such time (the “Trademark Credits”); provided however, that after the fourth (4th) anniversary of the date hereof, Intershoe shall bear 100% of the cost of resolution of any Trademark disputes other than those described in Section 7 hereof. If the Trademark Credits in a given month exceed the Contingent Purchase Price Payment otherwise due for such month, any excess Trademark Credits which are not deducted from the Monthly Contingent Purchase Price Payment for the month to which they relate shall be carried forward and applied to Monthly Contingent Purchase Price Payments due in subsequent months.

4. LICENSING OR ASSIGNMENT OF TRADEMARKS

(a) Licensing of the Trademarks. Intershoe may license any or all of the Trademarks to any third party at any time in an arm’s length transaction. In the event of any such license, PLT shall receive 25% of all royalties or license fees actually received by Intershoe pursuant to such license through the end of the Term of this Agreement.

(b) Assignment of the Trademarks. During the first four (4) years of the Term (the "Restrictive Period"), Intershoe may not assign the Trademarks without the consent of PLT. After the Restrictive Period, prior to any assignment of any or all of the Trademarks, PLT shall have a right of first refusal pursuant to which it may repurchase the offered Trademarks for the same price, and on terms no less favorable to Intershoe than those offered by the prospective third-party purchaser. PLT shall have thirty (30) days from receipt of notice of a proposed sale to provide Intershoe with written notice of PLT's intent to exercise its right of first refusal. If PLT fails to give such notice within such 30-day period or fails to consummate the repurchase of the Trademarks within fifteen (15) days of PLT's notice to exercise its right of first refusal, PLT shall be deemed to have consented to the assignment to such third-party purchaser. In the event PLT does not exercise its right of first refusal and Intershoe, as a result, assigns the Trademarks to any bona fide third party in an arm's length transaction during the Term, the Agreement shall be terminated (without giving rise to any right of PLT to repurchase the Trademarks or have the Trademarks reassigned to PLT by Intershoe) and PLT shall receive 25% of the purchase price therefor actually received by Intershoe during the remainder of the original Term of this Agreement. Notwithstanding anything contained herein to the contrary, Intershoe may, at any time, transfer or assign the Trademarks (i) to any affiliate of Intershoe or (ii) to a non-affiliate in connection with the sale of all or substantially all of the assets of Intershoe without the consent of PLT or the Consultants provided that Intershoe's rights and obligations under this Agreement are assigned therewith.

5. SECURITY INTEREST.

In connection with the execution of this Agreement and the assignment of the Trademarks hereunder, Intershoe shall grant PLT a security interest in the Trademarks. The security interest will be granted pursuant to a security agreement and Intershoe agrees to assist PLT in perfecting its security interest by signing UCC-1s as requested by PLT and at PLT's expense. The security interest shall terminate upon the earlier to occur of (i) four (4) years from the date hereof and (ii) the date of any termination of this Agreement or that certain consulting agreement of even date herewith by and among Intershoe, PLT and the Consultants (the "Consulting Agreement") with cause by Intershoe. It is expressly understood by PLT that PLT 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 in the Trademarks, including but not limited to any transfer to any trustee in bankruptcy or creditor (whether secured or unsecured) of PLT or any entity or person affiliated with PLT.

6. PLT'S AND THE CONSULTANTS' RETAIL SALES

PLT and the Consultants retain the right to own and operate retail stores in which the Products will be sold within a 50-mile radius of Portland, Oregon. Intershoe shall make available and sell the Products to PLT and/or the Consultants on terms similar to the terms Intershoe sells its products to its similarly-situated third party purchasers. PLT and the Consultants shall exclusively purchase the Products from Intershoe, unless Intershoe advises the Consultants in writing that specific Products are unavailable from Intershoe, in which case PLT and the Consultants may purchase such Products from a third party in the quantity originally requested from Intershoe. In addition, throughout the Term, Intershoe shall grant a non-exclusive license of the London Underground mark for limited use by PLT as the name of

the retail stores owned and operated by PLT. Any retail stores bearing the London Underground name which are owned and operated by PLT and/or the Consultants shall meet standards of quality established by Intershoe. Neither PLT nor the Consultants may affix the Trademarks to any items including, but not limited to, the Products without the prior written consent of Intershoe.

7. RESOLUTION OF DISPUTES OVER LONDON UNDERGROUND MARK

PLT is presently involved in disputes with London Regional Transport ("LRT") and Piccadilly Shoes Limited ("Piccadilly") regarding the respective rights of the parties with regard to the mark "London Underground." Intershoe, through counsel chosen by Intershoe, agrees to continue PLT's attempts to resolve such disputes and any costs and expenses incurred in connection with such disputes, including any cost of additional trademark registrations required in connection with the resolution of such disputes, shall be paid by Intershoe and credited against Monthly Contingent Purchase Price Payments as described in Section 3(c) hereof. If Intershoe determines at any time, in its sole discretion, that an economically viable resolution of the disputes with LRT or Piccadilly cannot be reached, Intershoe shall be entitled to terminate this Agreement in accordance with the termination provisions of Section 12(b)(2) hereof. PLT and the Consultants agree to provide to Intershoe any and all documents relevant to or required by Intershoe in connection with the resolution of the LRT and Piccadilly disputes, including without limitation, any and all correspondence, legal records and other files related thereto as soon as possible and to cooperate fully in any other way required by Intershoe in connection with the resolution of such disputes, including by making themselves available as necessary for depositions.

8. CONDITIONS PRECEDENT

On or before the execution of this Agreement (i) PLT and the Consultants shall have received any and all required approvals, consents and authorizations of third parties to allow them to enter into this Agreement and perform their obligations hereunder, including, but not limited to the approval and consent of Productions Finance International, Inc. ("PFI"), The CIT Group/Commercial Services, Inc. ("CIT"), and any and all creditors of PLT and the Consultants shall have approved the sale of the Trademarks under this Agreement; (ii) any and all security interests in and/or liens or other encumbrances on the Trademarks shall have been removed, including the security interests of PFI and CIT; and (iii) PLT shall have terminated its license agreement with Tradeway International Trading ("Tradeway") and Tradeway shall have no further rights or claims of any nature whatsoever under any agreement by and between Tradeway and PLT, the Consultants or any person or entity affiliated with them.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF PLT AND THE CONSULTANTS

(a) Representations and Warranties of PLT and the Consultants. PLT and the Consultants represent and warrant to Intershoe that (i) upon consummation of the assignment of the Trademarks hereunder, Intershoe will hold title to the Trademarks free and clear of any liens or other encumbrances (including any security interest of PFI and CIT) other than the security interest granted to PLT under Section 5 hereof; (ii) PLT is the sole and beneficial owner of and has the full right, title and interest in and to the Trademarks (including each of the Registrations) and PLT has the right and authority to sell, assign and transfer the Trademarks (and each of the Registrations, including renewals of such Registrations) as set forth in this Agreement; (iii) to the best of PLT's and the Consultant's knowledge and after due inquiry, Intershoe's use of the Trademarks will not infringe any intellectual property rights of third parties (without limiting any right of termination that Intershoe may have, Intershoe acknowledges that the trademark disputes asserted by LRT in those certain letters dated

October 30, 1996 and April 28, 1997 and by Piccadilly in that certain letter dated July 31, 1998 will not constitute a breach of this representation); (iv) as of the date of this Agreement, PLT is not a party to any litigation relating to the Trademarks, there are not pending actions or proceedings relating to the Trademarks (except for the opposition of LRT to PLT's registration filed in the United States Patent and Trademark Office, the oppositions of Anahi Ester Infante de Bonifacio and The London Shop S.R.L. filed in Argentina, the opposition of LRT filed in Canada and the opposition of Taco Roupas Ltd. filed in Brazil) and there have been no claims asserted against or threatened against the Trademarks other than those described in Section 7 above entitled "Resolution of Disputes Over London Underground Mark"; (v) PLT is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has full power and authority to carry on its business where and as now conducted and to execute and deliver this Agreement and to perform its obligations under this Agreement; (vi) the execution, delivery and performance by PLT of this Agreement has been duly and validly authorized by all necessary, corporate proceedings; (vii) this Agreement constitutes the legal, valid and binding obligation of PLT and the Consultants in accordance with its terms; (viii) the execution and delivery of this Agreement shall not result in a breach or default under any agreement or other instrument which PLT and/or the Consultants is or are a party to or may be bound by, nor shall such execution or delivery require any consent, waiver or approval of any party which has not heretofore been obtained; (ix) neither PLT nor the Consultants are presently in default under any of the agreements which they are a party to and consummation of the transaction contemplated by this Agreement will not cause any such default; (x) PLT is in good financial condition and neither PLT nor the Consultants anticipates (a) applying for or consenting to the appointment of a receiver, trustee or liquidator, (b) being unable to or admit in writing its inability to pay its debts as they fall due; (c) making a general assignment for the benefit of its creditors; (d) being adjudicated bankrupt or insolvent; or (e) filing a voluntary petition in bankruptcy or a petition or an answer seeking

reorganization or an arrangement with creditors or to take advantage of any insolvency law or an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, or insolvency proceeding, or any action shall be taken by it for the purposes of effecting the foregoing; (xi) as of the date of this Agreement, the Trademarks will not be subject to any transfer restrictions, voting trusts or agreements or any other restrictions, obligations or rights of any party; (xii) the financials of PLT provided to the Company dated as of March 23, 1999 are true and accurately reflect the financial condition of PLT as of the date thereof and there have been no material changes to the financial position of the Company since the date thereof; and (xiii) neither this Agreement nor the Consulting Agreement, when read together, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading and neither PLT nor the Consultants knows of any information or fact that has or would have a material adverse effect on the Trademarks, the transactions contemplated hereunder or on the business, prospects or condition (financial or otherwise) of Intershoe upon or following execution of this Agreement and the Consulting Agreement.

(b) Covenants of PLT and the Consultants. PLT and the Consultants jointly and severally agree and covenant as follows: (i) except in connection with the sale of the Products in their retail stores and the name of their retail stores as provided herein, PLT and the Consultants shall not use the Trademarks in connection with any goods or services other than by permission of Intershoe; (ii) PLT and the Consultants shall assist Intershoe, as necessary, with effecting the assignment of the Trademarks, including by providing Intershoe with any materials within their control which are necessary to assign the Trademarks and establish the validity of the assignment of the Trademarks, including any required assistance with registration of the Trademarks in the name of Intershoe; (iii) PLT and the Consultants shall provide Intershoe with any materials in their control which are requested by Intershoe or its

counsel in connection with the resolution of the trademark disputes with LRT and Piccadilly or in connection with any other trademark disputes which may arise from time to time and they agree to cooperate fully in any other way required by Intershoe in connection with the resolution of such disputes, including by making themselves available as necessary for depositions and (iv) PLT and the Consultants shall provide Intershoe with any and all copies of oppositions to the Registrations as soon as they become aware of such oppositions and PLT and the Consultants shall use their best efforts to cause their attorneys to do the same. These covenants shall survive any termination of the Agreement pursuant to which Intershoe or any third-party assignee of Intershoe retains ownership of the Trademarks.

10. REPRESENTATIONS AND WARRANTIES OF INTERSHOE

Intershoe represents and warrants to PLT and the Consultants that (i) Intershoe is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has full power and authority to carry on its business where and as now conducted and to execute and deliver this Agreement and to perform its obligations under this Agreement; (ii) the execution, delivery and performance by Intershoe of this Agreement has been duly and validly authorized by all necessary, corporate proceedings; (iii) this Agreement constitutes the legal, valid and binding obligation of Intershoe in accordance with its terms; (iv) the execution, delivery and consummation of the transactions contemplated by this Agreement will not result in a breach or default under any agreement or other instruments to which Intershoe is a party or may be bound by, nor shall such execution or delivery require any consent, waiver or approval of any party which is not heretofore obtained.

11. INDEMNIFICATION

Each of PLT and the Consultants hereby agrees to indemnify, defend and hold Intershoe and its successors and assigns harmless, and to reimburse Intershoe and its successors and assigns with respect, to all liabilities (including settlements entered into with or

without PLT's and/or the Consultants' consent) from any and all claims, suits, damages, and costs (including attorneys' fees and expenses) asserted against or incurred by Intershoe (whether or not involving a third party) arising out of or in connection with any breach of any of the representations, warranties or covenants of PLT and/or the Consultants contained in this Agreement. This indemnity shall include any claims or liability relating to any infringement of a trademark or copyright of a third party caused by Intershoe's reliance on the representations, warranties and covenants of PLT and/or the Consultants contained herein. This indemnification shall survive for a period equal to five (5) years after termination of this Agreement.

12. TERMINATION

(a) Termination Without Cause By Intershoe. Intershoe shall have the right to terminate this Agreement without any cause whatsoever at any time upon ninety (90) days' written notice to PLT, subject to payment and performance of all obligations accruing prior to the date of termination. Upon such termination, Intershoe shall assign the Trademarks to PLT. In the event of such termination, PLT shall promptly reimburse Intershoe, upon demand, for any and all expenses incurred by Intershoe in connection with resolving disputes related to the Trademarks through the date of such termination for which Intershoe has not taken a credit against a Monthly Contingent Purchase Price Payment as provided for in Section 3(c) hereof. In the event of any such termination, Intershoe shall have the right to sell any Products it has in stock or in production at the time of such termination without further payment. PLT shall have no right to terminate this Agreement without cause.

(b) Termination With Cause.

(1) Termination With Cause by PLT. PLT shall have the right to terminate the Agreement (i) upon fifteen (15) days' written notice in the event that Intershoe breaches any material covenant or term of this Agreement or the Consulting Agreement and fails to correct such breach within fifteen (15) days from the date of such notice (or, if the action or

event notified is not reasonably capable of cure within such period, if Intershoe fails to commence and diligently pursue all steps necessary to cure as soon as reasonably possible); (ii) immediately, in the event that any of the representations or warranties made by Intershoe in the Agreement are shown to have been untrue or misleading when made; (iii) immediately in the event Intershoe terminates the Consulting Agreement without cause; or (iv) immediately, if Intershoe 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 acts occurs. In the event of any such termination, upon request by PLT, Intershoe shall assign the Trademarks to PLT at PLT's expense.

(2) Termination With Cause by Intershoe. Intershoe shall have the right to terminate the Agreement (i) upon fifteen (15) days' written notice in the event that PLT or the Consultants breach any material covenant or term of the Agreement and fail to correct such breach by fifteen (15) days from the date of such notice (or, if the action or event notified is not reasonably capable of cure within such period, if PLT fails to commence and diligently pursue all steps necessary to cure as soon as reasonably possible); (ii) immediately, in the event that any of the representations or warranties made by PLT in the Agreement are shown to have been untrue or misleading when made; (iii) immediately, if PLT 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 or their debts when due, suffers the appointment of a receiver or a custodian, is adjudged bankrupt or if the equivalent of any such proceedings or acts occurs, or (iv) immediately, in the event of termination of the Consulting Agreement on its terms by Intershoe for cause (except if such termination of the Consulting Agreement for cause is the result of the death or incapacity of the Consultants). In the event of

any such termination, Intershoe shall retain ownership of the Trademarks, the Consulting Agreement shall be terminated, and no further amounts shall be due and owing to PLT or the Consultants either under the Assignment Agreement or under the Consulting Agreement. In addition, Intershoe shall have the right to terminate this Agreement immediately if Intershoe determines, in its sole discretion, that an economically viable resolution of the disputes with LRT or Piccadilly cannot be reached, in which case Intershoe shall assign the Trademarks to PLT at PLT's expense, provided that Intershoe is reimbursed by PLT or the Consultants, upon demand, for any and all expenses incurred by Intershoe in connection with resolving disputes related to the Trademarks through the date of such termination for which Intershoe has not taken a credit against a Monthly Contingent Purchase Price Payment.

13. CHOICE OF LAW; JURISDICTION; ARBITRATION

This Agreement shall be construed under and in accordance with, and be governed for all purposes by the laws of the State of New York (without regard to the conflicts of law principles thereof). Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, 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. PLT and the Consultants agree that the existence of this arbitration provision does not in any way limit Intershoe's right to obtain interim relief, including but not limited to, obtaining a temporary restraining order, preliminary injunction or decree, as may be necessary, to protect Intershoe against, or on account of, any violation of this Agreement, in any court of law having jurisdiction thereof.

14. NONASSIGNABILITY

Except and expressly set forth herein, this Agreement is personal to Intershoe, PLT, and the Consultants, and Intershoe, PLT and the Consultants shall not sell, transfer, assign or sublicense any of their rights hereunder without Intershoe's prior written consent in the case of an assignment by PLT and/or either or both of the Consultants and without the prior written

consent of PLT in the case of an assignment by Intershoe, and no rights hereunder shall pass by operation of law or otherwise to any assignee, receiver, liquidator, trustee, creditor or other party; provided, however, that this Agreement may be assigned by Intershoe without consent to any affiliate of Intershoe or in connection with the sale of all or substantially all of the assets of Intershoe. Notwithstanding the above, PLT and the Consultants may assign their rights to receive the Purchase Price Installments and Monthly Contingent Purchase Price Payments to PFI and CIT by written notice delivered to Intershoe simultaneously with execution of this Agreement. Any such assignment of payments shall in no way diminish or affect PLT's and the Consultants' obligations to perform their duties under this Agreement or create any relationship between Intershoe and/or PFI, CIT or any other creditor of PLT or the Consultants. This Agreement shall be binding upon and shall inure to the benefit of the heirs, successors or assigns of Intershoe, PLT and either or both of the Consultants.

15. NOTICES

All notices provided for herein 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 below or to such other address as each party shall designate by written notice from time-to-time. Notice shall be effective upon receipt:

In the case of notice to PLT and the Consultants:

Mr. William A. Berdan
6212 Belmont Way
West Linn, Oregon 97068
Telephone: (503) 722-1756
Facsimile: (503) 722-2089

-and-

Mr. Edward C. Goetz, III
1010 NW Naito Pkwy, M14

Portland, OR 97209
Telephone: (503) 274-7173

With a copy to: Thomas W. Stilley
Sussman Shank Wapnick Caplan & Stiles LLP
1000 SW Broadway, Suite 1400
Portland, Oregon 97201
Telephone: (503) 227-1111
Facsimile: (503) 248-0139

In the case of notice to Intershoe:

Michael Hoke
Intershoe, Inc.
57 Seaview Blvd.
Port Washington NY 11050
Telephone: (516) 686-3417
Facsimile: (516) 686-3427

With a copy to: Paul D. Downs, Esq.
Heller Ehrman White & McAuliffe
711 Fifth Avenue
New York, NY 10022-3194
Telephone: (212) 832-8300
Facsimile: (212) 832-3353

16. AMENDMENT, WAIVER, MODIFICATION, ETC.

No amendment, waiver, modification or cancellation of any term or condition of this Agreement shall be effective unless executed in writing by the party charged therewith. No waiver by either party of any breach of this 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.

17. NO PARTNERSHIP, ETC.

This Agreement does not constitute and shall not be construed as constituting an agency, partnership or joint venture relationship or employment relationship between Intershoe and PLT and/or the Consultants and nothing contained herein shall be construed to establish a

franchise relationship between PLT and/or the Consultants and Intershoe under any Federal, state or local law, rule, order or regulation.

18. ATTORNEY'S FEES

If any party finds it necessary to seek any remedy or commence any action for the enforcement of the terms of this 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.

19. MISCELLANEOUS

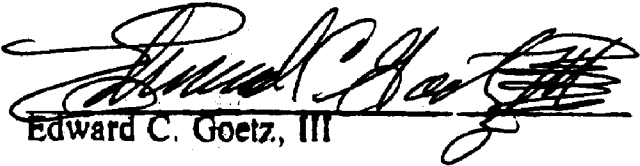
Paragraph headings contained in this Agreement are for convenience only and shall not be considered for any purpose in governing, limiting, modifying, construing or affecting the provisions of this Agreement and shall not otherwise be given any legal effect. The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, and the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law. This Agreement, when fully executed, shall represent the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes all previous representations, understandings, or agreements, oral or written, between the parties with respect to the subject matter hereof.

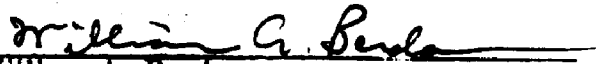
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

PLANET LUV-TRON, INC.

By: 
William A. Berdan, President

INTERSHOE, INC.

By: Michael Hoke

Edward C. Goetz, III


William A. Berdan

136665

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