

04-10-2002

Docket No.:

586.304



Tab settings

To the Honorable Commissioner of Patents 102050109 attached original documents or copy thereof.

1. Name of conveying party(ies):

Planet Luv-Tron, Inc.

4-10-02

- Individual(s)
- General Partnership
- Corporation-State **Oregon**
- Other

- Association
- Limited Partnership

Additional names(s) of conveying party(ies) Yes No

2. Name and address of receiving party(ies):

Name: **Dynasty Footwear, Ltd.**

Internal Address:

Street Address: **800 N. Sepulveda Blvd.**

City: **Los Angeles** State: **CA** ZIP: **90245**

Individual(s) citizenship

Association

General Partnership

Limited Partnership

Corporation-State **California**

Other

If assignee is not domiciled in the United States, a domestic designation is Yes N
(Designations must be a separate document from Additional name(s) & address(es) Yes N

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: **February 21, 2002**

4. Application number(s) or registration numbers(s):

A. Trademark Application No.(s)

75/123,951

Additional numbers

B. Trademark Registration No.(s)

Yes No

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

Name: **Thomas T. Chan**

Internal Address: **Chan Law Group LC**

Street Address: **P.O. Box 79159**

City: **Los Angeles** State: **CA** ZIP: **90079**

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41):.....\$ **\$40.00**

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

04/10/2002 6TOM11 00000271 75123951

01 F6:461

40.00 RP

DO NOT USE THIS SPACE

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 T. Chan

Name of Person Signing

Signature

4/8/2002

Date

Total number of pages including cover sheet, attachments, and

12

TRADEMARK

SECURITY AGREEMENT

Effective as of February 21, 2001 (Effective Date), between Dynasty Footwear, Ltd. (the "Secured Party") and Planet Luv-Tron, Inc. ("Planet"), William A. Berdan ("Berdan") and Edward C. Goetz ("Goetz") (Planet, Berdan and Goetz are collectively referred to as "Co-Debtors") agree as follows:

1. Introduction.

1.1. Co-Debtors have executed a promissory note payable to Secured Party, substantially in the form attached hereto as Exhibit A ("Note").

1.2. To secure Co-Debtors' obligations under the Note, and Co-Debtors' obligations under this Agreement, and that certain Trademark License Agreement, of even date herewith, among the parties hereto (the "License Agreement"), Co-Debtors have agreed to grant to Secured Party a security interest in the Collateral, as defined below.

1.3. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the License Agreement.

2. Grant of Security Interest. To secure Co-Debtors' Obligations (as defined in Paragraph 3 below), Co-Debtors grant to Secured Party a security interest in the Collateral (as defined in Paragraph 4 below).

3. Obligations. For purposes of this Agreement, "Obligations" mean any and all debts, obligations and liabilities of Co-Debtors to Secured Party arising out of, or relating in any way to the Note, and any obligations of Co-Debtors to Secured Party pursuant to this Agreement, whether or not existing or arising after the date of this Agreement, voluntary or involuntary, jointly owned with others, direct or indirect, absolute or contingent, and whether or not from time to time increased, decreased, extinguished, created, or incurred and the obligation to assign the certain interests in the London Underground trademark to Secured Party as stated in the Licensed Agreement

4. Collateral. For purposes of this Agreement, "Collateral" means all right, title and interest in and to the trademark LONDON UNDERGROUND throughout the world, including the trademark registrations and applications identified in Exhibits B and the goodwill of the business associated therewith. In addition, Collateral includes:

a. All accounts, accounts receivable, contract rights and general intangibles, including, without limitation, all forms of payment, all present and future incomes, rents, revenues, issues and profits, goodwill, licenses and license rights, rights in and to security agreements and other contracts or assignments providing security to Co-Debtors for the Collateral which the Co-Debtors have now or may have after the date of this Agreement; and

b. All awards and settlements from or related to lawsuits and proceedings or purchased in lieu of such lawsuits and proceedings, and proceeds from any cause of action in existence, now or after the date of this Agreement and all replacements, substitutions, renewals, returns, additions, accessions, rents, royalties, issues, documents of ownership, and receipts for any of the

foregoing which the Co-Debtors have now or may have after the date of this Agreement.

5. Representations and Warranties. As a material inducement to Secured Party under this Agreement, Co-Debtors represent and warrant that the following are and shall remain true and correct:

5.1. Title. Planet is the owner of all right, title, and interest in the Collateral free and clear of all liens, encumbrances, licenses (other than the rights granted to Secured Party under the License Agreement) and security interests, except the security interest created by this Agreement and those rights granted to Co-Debtors' lenders and factors to permit their sale of financed inventory under the trademark.

5.2. Truth. All information that Co-Debtors have provided to Secured Party concerning the Collateral is true and correct.

5.3. No Defenses. There are no defenses, offsets, claims, or counterclaims existing against Co-Debtors that may be asserted against Secured Party in any proceeding to enforce Secured Party's rights in the Collateral, except for those third-party claims described in the License Agreement or in this Agreement.

5.4. No Conflict. The execution, delivery, and performance of this Agreement by Co-Debtors are not in violation of any applicable law or regulation or contractual obligation of Co-Debtors.

5.5. First Priority Lien. The liens granted to Secured Party under this Agreement will constitute a first priority lien on the Collateral upon the filing of a UCC-1 Financing Statement.

5.6. Good Standing. Co-Debtor Planet is an Oregon corporation duly organized, validly existing, and in good standing under the laws of the State of Oregon.

5.7. Due Authorization and Warranties. Planet, Berdan, and Goetz represent and warrant that they each have full authority and have been duly authorized by all interested parties, to execute and deliver this Agreement, which is a valid and binding obligation of Co-Debtors.

6. Covenants of Co-Debtors.

6.1. Protection of Security Interest. Contemporaneously with the execution of this Agreement, Co-Debtors shall properly execute and deliver to Secured Party UCC-1 Financing Statements and Form PTO-1594, to enable Secured Party to perfect Secured Party's security interest in the Collateral. Co-Debtors agree to execute, file, and record such other statements, notices, and agreements, take such action and obtain such certificates and documents, in accordance with all applicable laws, statutes, and regulations as may be necessary or advisable to perfect, evidence, and continue Secured Party's security interest in the Collateral.

6.2. Transactions Involving Collateral. Except as permitted under the terms of the License Agreement, Co-Debtors shall not, without the prior written consent of Secured Party, (a) sell, offer to sell, or otherwise transfer the Collateral or (b) pledge, mortgage, encumber, license or otherwise permit the Collateral to be subject to any lien, security interest, or charge, other than the security interest created by this Agreement.

6.3. Compliance with Laws. Co-Debtors shall comply with all laws, statutes, and regulations pertaining to the Collateral.

6.4. Taxes, Assessments, and Liens. Co-Debtors shall pay when due all taxes,



assessments, and liens with regard to the Collateral. Co-Debtors may withhold any such payment or may elect to contest any lien if Co-Debtors are conducting appropriate proceedings in good faith to contest the obligation to pay and so long as Secured Party's interest is not jeopardized.

7. Authorized Action by Secured Party. Co-Debtors irrevocably appoint Secured Party as Co-Debtors' attorney in fact to do any act that Co-Debtors are obligated to do pursuant to this Agreement to preserve or protect the Collateral and to preserve, protect, or establish Secured Party's lien on the Collateral. Co-Debtors further irrevocably appoint Secured Party to exercise such rights and powers as Co-Debtors might exercise with respect to the Collateral following any Event of Default, as defined below. These powers include without limitation the rights to (a) collect by legal proceedings or otherwise, and endorse and receive all dividends, interest, payments, proceeds, and other sums and property now or after the date of this Agreement payable on account of the Collateral, (b) transfer the Collateral to Secured Party's own or Secured Party's nominee's name, and (c) make any compromise or settlement and take any action Secured Party deems advisable with respect to the Collateral. Co-Debtors agree to reimburse Secured Party on demand for any costs and expenses, including without limitation attorney fees, which Secured Party incurs while acting as Co-Debtors' attorney in fact under this Agreement, all of which costs and expenses are included in the Obligations secured by this Agreement. Secured Party shall have no obligation to act pursuant to this paragraph and shall not be required to make any presentment, demand, or protest, or give any notice or take any action to preserve any rights against any other person in connection with the Collateral.

8. Defaults and Remedies.

8.1. Events of Default. Any of the following events or conditions shall constitute an Event of Default by Co-Debtors under this Agreement:

- a. Default in payment of the Obligations in accordance with the terms of the Note;
- b. Default in the performance of any other of the Obligations or Licensor's obligations under the License Agreement (except for failure to defend any Oppositions, as defined in the License Agreement), settlement of any such Oppositions without Secured Party's consent, or breach of any agreement, representation, or warranty contained in this Agreement;
- c. Any levy against the Collateral or Co-Debtors' interest in the Collateral, except if Co-Debtors are conducting appropriate actions in good faith to contest the levy which shall be concluded within 75 days; or
- d. The filing or commencement of: any bankruptcy case by or against Co-Debtors; any assignment for the benefit of creditors of Co-Debtors; or any receivership of Co-Debtors.

8.2. Remedies. Upon the occurrence of any Event of Default, Secured Party:

- a. Shall have and may exercise all rights and remedies accorded to Secured Party by the California Uniform Commercial Code or in any proceeding under the Bankruptcy Code;
- b. May declare all unperformed Obligations, in whole or in part, of Co-Debtors immediately due and payable, subject to the provisions of the Note; and
- c. May take and require Co-Debtors to take any and all actions necessary to transfer the Collateral to Secured Party.

8.3. Remedies Cumulative. All of Secured Party's rights and remedies, whether evidenced

by this Agreement or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Secured Party to pursue any remedy shall not exclude pursuit of any other remedy.

9. Waiver. Secured Party shall not be deemed to have waived any rights under this Agreement unless such waivers are in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising any right shall operate as a waiver of such right or any other right.

10. Additional Documentation; Cooperation. Each party shall, upon the request of the other, execute, acknowledge, and deliver to the other any instrument that may be required to accomplish the intent of this Agreement. Each party agrees to cooperate to effectuate the intent of this Agreement and shall take all appropriate action necessary or useful in doing so.

11. Miscellaneous.

11.1. Successors and Assigns. Subject to the provisions otherwise contained in this Agreement, this Agreement shall inure to the benefit of and be binding on the successors and assigns of the respective parties.

11.2. Notices. Any notice under this Agreement shall be in writing, and any written notice or other document shall be deemed to have been duly given (a) on the date of personal service on the parties, (b) on the third business day after mailing, if the document is mailed by registered or certified mail, (c) one day after being sent by professional or overnight courier or messenger service guaranteeing 1-day delivery, with receipt confirmed by the courier, or (d) on the date of transmission if sent by telegram, telex, telecopy, or other means of electronic transmission resulting in written copies, with receipt confirmed. Any such notice shall be delivered or addressed to the parties at the addresses set forth below or at the most recent address specified by the addressee through written notice under this provision. Failure to conform to the requirement that mailings be done by registered or certified mail shall not defeat the effectiveness of notice actually received by the addressee.

Secured Party: John C. S. Koo
 Dynasty Footwear, Ltd.
 800 N. Sepulveda Blvd.
 El Segundo, CA 90245
 Fax: 310 647-6716

Co-Debtors: Planet Luv-Tron, Inc., William A. Berdan and
 Edward C. Goetz, III
 514 S.W. Nevada Street
 Portland, Oregon 97219



With Notice to:
Thomas Stilley
1000 Southwest Broadway
Suite 1400
Portland, OR
Fax: 503 248-0130

11.3. Amendment. The provisions of this Agreement may be modified at any time by written agreement of the parties. Any such agreement made after the date of this Agreement shall be ineffective to modify this Agreement in any respect unless in writing and signed by Co-Debtors and Secured Party.

11.4. Prejudgment Interest. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

11.5. Post-Judgment Attorney Fees. If the services of an attorney are required by any party to enforce a judgment rendered in connection with this Agreement, the judgment creditor shall be entitled to reasonable attorney fees, costs, and other expenses, and such fees, costs, and expenses shall be recoverable as a separate item. This provision shall be severable from all other provisions of this Agreement, shall survive any judgment, and shall not be deemed merged into the judgment.

11.6. Captions. All paragraph captions are for reference only and shall not be considered in construing this Agreement.

11.7. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement that can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

11.8. Governing Law. The rights and obligations of the parties and the interpretation and performance of this Agreement shall be governed by the law of California, excluding its rules relating to conflict of laws.

11.9. Entire Agreement. This document and its exhibits constitute the entire agreement between the parties, all oral agreements being merged in this Agreement, and supersede all prior representations. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement that is not fully expressed in this Agreement or its exhibits.

11.10. Venue. Co-Debtors and Secured Party consent to the jurisdiction of, and any actions arising under this Agreement shall be heard and resolved in courts in the City and County of San Francisco, California.

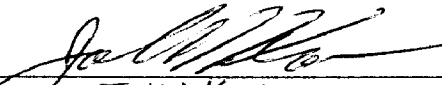
11.11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original copy and all of which, when taken together, shall be deemed to constitute one and the same agreement.

A handwritten signature in black ink, appearing to be 'J. S. Stilley', is written over the bottom right corner of the page, partially overlapping the 'TRADEMARK' text.


IN WITNESS WHEREOF, the parties have executed, delivered and entered into this Agreement as of the Effective Date.

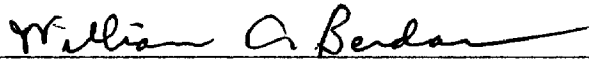
SECURED PARTY:

Dynasty Footwear, Ltd.

By: 
Name: John Kao
Title: CFO/COO

CO-DEBTORS:
Planet Luv-Tron, Inc.

By: 
Name: William A. Berdan
Title: President


William A. Berdan

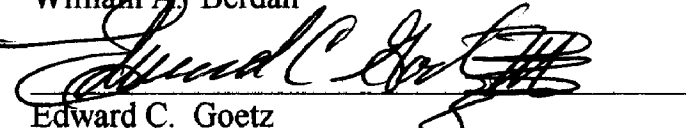

Edward C. Goetz



EXHIBIT A

SECURED DEMAND NOTE

Los Angeles, California

February 21, 2001

ON DEMAND, Planet Luv-Tron, Inc., an Oregon corporation, William A. Berdan and Edward C. Goetz (collectively, "Maker") promise to pay to Dynasty Footwear, Ltd., a California Corporation ("Holder"), or order, all amounts owed to Holder from time to time under that certain Trademark License Agreement, of even date herewith, entered into by and among Holder and Maker (the "License Agreement"). This Secured Demand Note ("Note") shall not bear interest. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the License Agreement.

This Note is secured by a security interest in certain collateral, as set forth in that certain Security Agreement of even date herewith, given by Maker in favor of Holder.

All payments hereunder shall be made to Holder at 800 N. Sepulveda Boulevard, El Segundo, California 90245, to the attention of John C.S. Koo, or at such address as Holder may from time to time designate. Maker shall make all payments in lawful money of the United States of America and in immediately available funds. Maker authorizes Holder to record on Exhibit A-1 annexed to this Note: (i) the amount of all sums Maker owes Holder as of the date of this Note; (ii) the amount of all additional sums advanced to Maker by Holder during each month following the date of this Note; and (iii) the date and amount of any payments. Maker agrees that all such notations shall constitute prima facie evidence of such sums owing and payments made.

A failure by Maker to pay on demand an amount owed under the License Agreement shall not constitute a default under this Note. Upon such failure, such an amount shall be deemed converted from principal owing under this Note to an advance Royalty payment pursuant to the License Agreement.

Maker may prepay all or any portion of this Note without the consent of Holder and without penalty. This Note shall be governed by and construed under the laws of the State of California, excluding its conflict of laws rules.

Maker shall pay to Holder all reasonable costs, fees, and expenses, including without limitation attorney fees, incurred by Holder in the enforcement of attempt to enforce any of Maker's obligations under this Note.

If any provision, term, clause or part of any provision of this Note shall be invalid for any reason, the same shall be ineffective, but the remainder of this Note and of the provision shall not be affected and shall remain in full force and effect.

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Any of the terms or conditions of this Note may be waived by Holder, but no such waiver shall affect or impair the rights of Holder to require observance, performance, or satisfaction, either of that term or condition as it applies on a subsequent occasion or of any other term or condition of this Note.


Maker waives presentment, protest and demand, notice of protest, notice of demand and dishonor, and notice of nonpayment of this Note. Maker expressly agrees that this Note or any payment under this Note may be extended by Holder from time to time without in any way affecting the liability of Maker.

MAKER:

PLANET LUV-TRON, INC., an Oregon
corporation


Name: William A. Berdan
Title: President


William A. Berdan


Edward C. Goetz

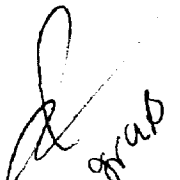

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EXHIBIT A

SCHEDULE OF AMOUNTS LOANED AND PAYMENTS

<u>Description</u>	<u>Date</u>	<u>Amounts</u>	<u>Borrower Initials &</u>
Advance Royalty	Jan 2001	\$30,000	<u>WAB</u> <u>W</u> <u>WAB</u> President
Advance Royalty	Feb 2001	\$30,000	<u>WAB</u> <u>W</u> <u>WAB</u> President
Loan	Feb 2001	\$5,000	<u>WAB</u> <u>W</u> <u>WAB</u> President
Loan	Mar 2001	\$50,000	<u>WAB</u> <u>W</u> <u>WAB</u> President
Loan	Apr 2001	\$25,000	<u>WAB</u> <u>W</u> <u>WAB</u> President
Loan	May 2001	\$10,000	<u>WAB</u> <u>W</u> <u>WAB</u> President
Loan	Jun 2001	\$10,000	<u>WAB</u> <u>W</u> <u>WAB</u> President
Loan	Jul 2001	\$15,000	<u>WAB</u> <u>W</u> <u>WAB</u> President
Loan	Aug 2001	\$15,000	<u>WAB</u> <u>W</u> <u>WAB</u> President
Loan	Nov 2001	\$6,500	<u>WAB</u> <u>W</u> <u>WAB</u> President
Loan	Feb 2002	\$10,000	<u>WAB</u> <u>W</u> <u>WAB</u> President

EXHIBIT A-1

SCHEDULE OF AMOUNTS LOANED AND PAYMENTS

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Handwritten signature and initials in black ink, located in the bottom right corner of the page.

TRADEMARK
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EXHIBIT B

<u>COUNTRY/REGISTER</u>	<u>REG NO.</u>
AUSTRALIA	716538
BENELUX	599389
CHINA	1150685
FRANCE	96645525
GERMANY	39642504
HONG KONG	50 03/1999
INDONESIA	400464
ITALY	764303
JAPAN	4314204
KOREA	396042
TAIWAN	831522

<u>COUNTRY/REGISTER</u>	<u>APP NO</u>
BRAZIL	9926914
CANADA	828,071
MEXICO	282,372
PHILIPPINES	114506
NEW ZEALAND	267667
U.S.	75/123,951

and any other trademark applications and registrations bearing similar mark throughout the world.

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RECORDED: 04/10/2002

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