

Part Three

Technology Transfer Contract Between American Soundland Company and Taiwan Meida Company

In view of:

The R&D, rights to claim, profit sharing, risk responsibilities and related technological and legal issues of the project described in the contract will be agreed upon and be observed by the signing parties after equal negotiation and on the basis of truthfully and sufficiently expressed intentions.

Article 1. Signing Parties

Principle: American Soundlan Company
Legal Representative: Rosa Highman (CEO)

Agent: Taiwan Meida Shoe Company
Legal Representative: Lu Huiming (CEO)

Article 2. Nature of Contract

This contract is a Development & Technology Transfer Contract

Article 3. Signing Time and Location

This contract was endorsed by the signing parties in Zhang Hua, Taiwan on September 18th, 1993.

Article 4. Project Name

Soundlan Company agreed to transfer with conditionality to Da Mei Company the production design and technology of 080 series of male shoes.

Article 5. Contents of Technology

The major components of technology are the shoe patterns, design blueprints and materials selection of 080 series of male shoes.

Article 6. Conditions for Technology Transfer

The Principle transfers aforementioned technology to agent with financial conditionality. The Agent can manufacture 080 series of male shoes on the basis of transferred technology from the signing date of the contract in the next six years. After six years, whether the partnership continues and what the forms of cooperation will be are to be decided upon separately. The Principle promises that the Agent will be the exclusive company to obtain the technology and design within the time span specified. The Agent promises that the technology will be transferred to any third party in the next six years and thereafter. The Agent will be allowed to research and development other series of shoes based on the technology transferred. The principle will limit the production volumes of the Agent in the next six years. However, the Agent should truthfully report the production to the Principle and turn in any fees accordingly. (Please refer to Article 11 for details).

Article 7. The Requirement for Confidentiality

Scope of Confidentiality: all contents involved.

Article 8. Safeguard of Rights

The signing parties promise that all the technology contents involved in this contract are endorsed upon voluntarily and truthfully, and the execution of the contract will be in violation of other parties' legal rights.

Article 9. Responsibilities of Risk

In the process of execution of the contract, except that the damages are caused by the deficiencies of design and technology provided by the Principle, the agent will be solely responsible for any other risks involved.

Article 10. Fees and Methods of Payment

The Agent will pay the Principle of technology fees of U.S. \$500,000 upon signing of the contract. In the next six years, the Agent will pay the Principle the amount equal to the 20% of the profits originating from sales of 080 shoe series. The payment will be settled every three months.

Methods of Payment: Bank Transfer

Article 11. Alteration of Contract

Upon the confirmation of the signing parties that there are certain articles needs to be altered in the process of execution of the contract, the signing parties will negotiate and produce written agreements, which would be the amendment version of the original contract.

Article 12. Disputes Resolution Methods

In case there are disputes regarding the contract, the signing parties should first resort to negotiation. If negotiation doesn't lead to any results, the signing parties have the rights to appeal to courts with judiciary powers.

Article 13. Effective Date of Contract

This contract has two copies and will take effect after it is signed and sealed by both parties. The contract will expire on September 17, 2000.

Principle: American Soundlan Company (Seal)

Address: 1050 State Empire Building, New York, U.S.

Agent: Taiwan Meida Shoe Company (Seal)

Address: No. 888, Zhong Gong San Lu, Industrial District, Zhang Hua City, Taiwan