

02-12-2003



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RECORDATION COVER SHEET FINANCE SECTION
PATENTS ONLY

2003 FEB 10 PM 3:14

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

Submission Type

New *02/10/14*

Resubmission (Non-Recordation)
Document ID#

Correction of PTO Error
Reel # Frame #

Corrective Document
Reel # Frame #

Conveyance Type

Assignment Security Agreement

License Change of Name

Merger Other
U.S. Government

(For Use ONLY by U.S. Government Agencies)

Departmental File Secret File

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name	Execution Date		
	Month	Day	Year
Name (line 1) <input type="text" value="ViaTech, Inc."/>	6	25	99
Name (line 2) <input type="text"/>			
Second Party			
Name (line 1) <input type="text" value="Simula"/>	6	30	99
Name (line 2) <input type="text"/>			

Receiving Party

Mark if additional names of receiving parties attached

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City State/Country Zip Code

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 is attached. (Designation must be a separate document from Assignment.)

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)

FOR OFFICE USE ONLY

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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. #

Application Number(s) or Patent Number(s) Mark if additional numbers attached

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

Patent Application Number(s)

Patent Number(s)

<input type="text" value="09/782,462"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="5,853,651"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

If this document is being filed together with a new Patent Application, enter the date the patent application was Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number only if a U.S. Application Number has not been assigned.

PCT <input type="text"/>	PCT <input type="text"/>	PCT <input type="text"/>
PCT <input type="text"/>	PCT <input type="text"/>	PCT <input type="text"/>

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

Deposit Account Number: #

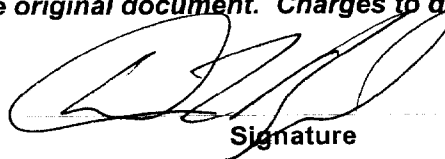
Authorization to charge additional fees: Yes No

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.

Damon L. Boyd, Reg. No. 44,552

Name of Person Signing



Signature

3 February 2003
Date

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is executed as of June 25, 1999, by and among ViaTech, Inc., a Delaware corporation, whose address is 2495 South Industrial Park Avenue, Tempe, Arizona 85282 ("Seller"), and Vyatek Sports, Inc., an Arizona corporation, whose address is 12442 N. Via LaPlaya, Fountainhillis, Arizona 85268 ("Purchaser").

PRELIMINARY STATEMENT

I. Seller owns certain bicycle and sporting good assets, as well as related equipment and intangible assets, (hereinafter defined as the "Assets").

II. On August 4, 1998, Seller granted Purchaser an option to purchase the Assets, subject to the terms of a Definitive Agreement to be entered into between the parties.

III. Purchaser has exercised his option to purchase, and Seller desires to sell, the Assets on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the parties herein set forth, it is agreed by the parties as follows:

SECTION 1 SALE AND TRANSFER OF ASSETS

1.1 Purchase of Assets. Subject to the terms and provisions of this Agreement, at the Closing (as hereafter defined), Seller shall sell, transfer, assign and deliver to Purchaser, and Purchaser shall purchase and acquire from Seller, (a) the assets, as described on Exhibit A, as well as the name "ViaTech" and all variations and combinations thereof and (b) any additional assets agreed to by the parties as related to the bicycle and sporting goods business previously conducted by Seller (the "Assets"). Seller shall also cooperate with Purchaser in delivering other assets later discovered to be exclusively related to the manufacture and sale of bicycles and sporting goods equipment (the "After-Discovered Assets"). To this end, Purchaser shall notify Seller of any assets it believes to be After-Discovered Assets and Seller, after confirming the status of such assets, shall promptly deliver them to Purchaser. After-Discovered Assets shall include, to the extent assignable or transferable, the following assets exclusively related to the manufacture and sale of bicycles and sporting goods equipment:

(a) all tangible personal property (such as machinery, equipment, inventories of raw materials and supplies, manufactured and purchased parts, goods in process and finished goods, furniture, automobiles, trucks, tractors, trailers, tools, jigs, and dies);

(b) to the extent assignable or transferable, all Intellectual Property (hereinafter defined), goodwill associated therewith, licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against infringements thereof, and rights to protection of interests therein under the laws of all jurisdictions;

(c) to the extent assignable or transferable, all permits, licenses, registrations, certificates, and similar rights obtained from governments and governmental agencies;

(d) to the extent assignable or transferable, all general intangibles to the extent agreed to by Purchaser; and

(e) all books, records, ledgers, files, documents, correspondence, lists, drawings, and specifications, creative materials, advertising and promotional materials, studies, reports, and other printed or written materials.

For purposes hereof, "Intellectual Property" means (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (f) all computer software (including data and related documentation), (g) all other proprietary rights, and (h) all copies and tangible embodiments thereof (in whatever form or medium).

1.2 Purchase Price and Payment. The purchase price for the Assets shall be Two Hundred Fifty Thousand Dollars (\$250,000) (the "Purchase Price") payable as follows:

(a) Fifty Thousand Dollars (\$50,000) cash at Closing; and

(b) Two Hundred Thousand Dollars (\$200,000) principal amount on the terms set forth in the Promissory Note attached hereto as Exhibit B.

The Purchase Price shall also include an annual royalty, payable on or before February 15th of each year, of two percent (2%) of gross revenues derived from the previous year's sales of products or components of products based on the Assets described on Exhibit A as patents, pending patents or documented as trade secrets under "Intellectual Property" or future products that result from such Assets. Within forty-five (45) days of the end of each calendar year, Purchaser shall furnish Seller with a written statement substantiating the amount of royalties paid for such previous year, together with payment of any unpaid royalties due hereunder. Purchaser shall keep true, complete and accurate books of account pertaining to royalties payable hereunder, and Seller shall have the right to inspect such books.

1.3 Allocation of Purchase Price; Form 8594. The Purchase Price shall be allocated by Purchaser and Seller, on or before Closing, for all purposes (including financial accounting and tax purposes) in accordance with the allocation schedule attached hereto as Exhibit C. The parties shall use the allocations set forth on Exhibit C in providing the information necessary for the completion and filing of Form 8594, Asset Acquisition Statement, under Section 1060 of the Internal Revenue Code of 1986, as amended.

1.4 Arizona Transaction Privilege Tax. Seller shall pay any and all state and local transaction privilege taxes in Arizona applicable to the purchase of the Assets.

1.5 Closing; Payment. The sale, purchase and other activities provided for herein (the "Closing") shall take place at the offices of Simula, Inc., whose address is 2700 North Central Avenue, Suite 1000, Phoenix, Arizona 85004, on or before June 30, 1999, or at such other time and place as soon as practicable thereafter as Purchaser and Seller may agree upon. The date of the Closing is referred to herein as the "Closing Date" or "Closing". At the Closing:

(a) Seller shall deliver to Purchaser documents necessary to transfer title to the Assets as more fully described in Section 1.6 hereof;

(b) Purchaser shall execute and deliver to Seller a Promissory Note substantially in the form attached hereto as Exhibit B;

(c) Seller and Purchaser shall execute and deliver to each other a Security Agreement substantially in the form attached hereto as Exhibit D;

(d) Seller shall execute and deliver to Purchaser an Assignment in substantially the forms attached as Exhibit H with respect to general intangibles, provided that to the extent there are any obligations of Seller with respect thereto, the assignment of any general intangible shall be subject to Purchaser's assumption of such obligations, if agreed to by Purchaser;

(e) Purchaser shall pay by wire transfer, or certified or official bank check the amount payable to Seller in cash at Closing; and

(f) All other agreements and documents reasonably agreed by counsel to be required to be delivered and/or executed at or prior to Closing pursuant to this Agreement shall be delivered and/or executed.

Purchaser shall have forty-five (45) days following Closing to remove all tangible Assets from Seller's property. Pending removal, Seller agrees to maintain all such Assets in the same condition as assets of similar nature owned by Seller.

1.6 Instruments of Conveyance and Transfer. On the date of Closing, Seller shall deliver to Purchaser (i) a Bill of Sale substantially in the form attached hereto as Exhibit E (the "Bill of Sale"), (ii) patent and trademark assignments substantially in the forms attached hereto as Exhibit F and (iii) other good and sufficient endorsements, assignments and instruments of conveyance and transfer, and releases of liens, in form and substance mutually agreeable to the parties.

SECTION 2
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents, warrants and agrees as of the Closing follows:

2.1 Organization of the Seller. The Seller is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation.

2.2 Authorization of Transaction. The Seller has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. Without limiting the generality of the foregoing, the board of directors of the Seller have duly authorized the execution, delivery, and performance of this Agreement by the Seller. This Agreement constitutes the valid and legally binding obligation of the Seller, enforceable in accordance with its terms and conditions.

2.3 Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which any of the Seller is subject or any provision of the charter or bylaws of the Seller or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Seller is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any security interest upon any of its assets). The Seller does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the parties to consummate the transactions contemplated by this Agreement.

2.4 Title to Assets. Subject to any applicable contractual consents, the Seller has good and marketable title to the Assets, free and clear of all Security Interests (hereinafter defined). For purposes hereof, "Security Interest" means any mortgage, pledge, lien, encumbrance, charge, or other security interest.

2.5 Intellectual Property.

(i) The Seller owns or has the right to use pursuant to license, sublicense, agreement, or permission all Intellectual Property necessary or desirable for the manufacture and sale of bicycles and sporting goods as previously conducted by Seller. Subject to any applicable contractual consents, each item of Intellectual Property owned or used by the Seller immediately prior to the Closing hereunder will be owned or available for use by the Purchaser on identical terms and conditions immediately subsequent to the Closing hereunder.

(ii) To its knowledge, the Seller has not interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and the Seller has not received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Seller must license or refrain from using any Intellectual Property rights of any third party). Except as set forth on Schedule 2.5, to the knowledge of the Seller, without

independent investigation, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of the Seller.

(iii) Exhibit A identifies each patent or registration which has been issued to the Seller with respect to any of its Intellectual Property, identifies each pending patent application or application for registration which the Seller has made with respect to any of its Intellectual Property, and identifies each license, agreement, or other permission which the Seller has granted to any third party with respect to any of its Intellectual Property (together with any exceptions). The Seller has delivered to the Purchaser correct and complete copies of all such patents, registrations, applications, licenses, agreements, and permissions (as amended to date) and has made available to the Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. Exhibit A also identifies each trade name or unregistered trademark used by the Seller in connection with any of its businesses related to manufacture and sale of bicycles and other sporting goods. With respect to each item of Intellectual Property required to be identified on Exhibit A:

(A) the Seller possesses all right, title, and interest in and to the item, free and clear of any Security Interest, license, or other restriction;

(B) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(C) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or is threatened which challenges the legality, validity, enforceability, use, or ownership of the item; and

(D) the Seller has not agreed to indemnify any person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

2.6 Tangible Assets. The Seller owns all machinery, equipment, and other tangible Assets. Purchaser has inspected, or has been given the opportunity to inspect, each such tangible Asset, and accepts such Assets "AS IS."

2.7 Litigation. Neither the Seller nor the Assets (i) is subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (ii) is a party or , to the knowledge of Seller, is threatened to be made a party to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator.

2.8 Environmental, Health, and Safety Matters. to its knowledge, the Seller has complied and is in compliance with all Environmental, Health, and Safety Requirements with respect to the ownership and use of the Assets. For purposes hereof, "Environmental, Health, and Safety Requirements" shall mean all federal, state, local and foreign statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment,

storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation, each as amended and as now or hereafter in effect.

SECTION 3 REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants that the execution and performance of this Agreement by Purchaser will not violate any provision of, or result in the breach of, or constitute a default under, or require any consent under any law, or any order, writ, injunction or decree of any court, governmental agency or arbitration tribunal, or any contract, agreement or instrument by which Purchaser is bound.

SECTION 4 CONDITIONS TO CLOSING BY PURCHASER

Purchaser shall not be obligated to consummate the transactions contemplated hereby unless each of the following conditions is fulfilled or performed (unless expressly waived in writing by Purchaser) prior to or at the Closing.

4.1 Compliance and Updating. All of the representations and warranties of Seller contained in Section 2 of this Agreement shall be true as of the time of the Closing. All Schedules hereto shall be updated as of the date of Closing and copies of documents and other information identified on such Schedules shall have been provided to Purchaser.

4.2 Performance of Covenants. Seller shall have performed and complied with all of its covenants hereunder.

4.3 Certificate of Compliance. Seller shall have furnished to Buyer a certificate to the effect that the conditions in 4.1 and 4.2 are satisfied in all respects.

4.4 No Action. No action or proceeding shall have been brought, or to the knowledge of Seller be threatened, before any court or administrative agency to prevent the consummation of, or to seek damages in a material amount by reason of, the transactions contemplated hereby, and no governmental authority shall have asserted that these transactions constitute a violation of law or give rise to liability on the part of Purchaser.

4.5 Lien Search Report. Seller shall have delivered at Closing a lien search report by a recognized reporting service with respect to UCC liens, judgment liens, tax liens, and other mortgages and encumbrances of record as filed in the pertinent city, county or State of Arizona, as the case may be, representing all the liens of record to which Seller's Assets are subject, which such report shall be dated no more than thirty (30) days preceding the date of Closing. Seller shall deliver in connection therewith lien releases with respect to all of the liens so evidenced, except to the extent expressly waived in writing at Closing by Purchaser.

SECTION 5
CONDITIONS TO CLOSING BY SELLER

Seller shall not be obligated to consummate the transactions contemplated hereby unless each of the following conditions is fulfilled or performed (unless expressly waived in writing by Seller) prior to or at the Closing:

5.1 Compliance. All of the representations and warranties made by Purchaser contained in Section 3 of this Agreement shall be true as of the time of Closing; Purchaser shall have performed and complied with all covenants and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing.

5.2 No Action. No action or proceeding shall have been brought or threatened before any court or administrative agency to prevent the consummation of, or to seek damages in a material amount by reason of, the transactions contemplated hereby, and no governmental authority shall have asserted that these transactions constitute a violation of law or give rise to liability on the part of Seller.

5.3 Delivery of Guarantee. Purchaser shall deliver to Seller an executed Guarantee in the form attached hereto as Exhibit G.

SECTION 6
INDEMNIFICATION

6.1 Seller's Agreement to Indemnify. If any warranty herein given or if any representation or statement of Seller herein includes any untrue statement of a material fact, or omits to state any material fact required to be stated herein, or necessary to make the statements herein in the light of the circumstances under which this Agreement is made, not misleading, then in addition to all other legal remedies which Purchaser may have, Seller agrees to indemnify and hold harmless Purchaser against any loss, liability, claim, damage, cost or expense (including attorneys' fees) resulting from any such untrue statement, omission or breach of warranty. Seller further agrees to indemnify and hold harmless Purchaser against the following:

(a) Federal, foreign, state, municipal and other taxes owing by Seller for any period prior to the Closing Date, and asserted against Purchaser or the Assets;

(b) Any obligation, debt or liability of Seller, direct or contingent, known or unknown which arose, existed or accrued on or prior to the Closing Date;

(c) Any claim or demand that arises out of, or results from, any act or omission, or alleged act or omission, of Seller or its employees, agents or subcontractors (including, without limitation, any tort or products liability claim; and

(d) Any claim asserting a right to, or a claim, lien or equity upon, the Assets after their transfer to Purchaser, based upon any action, of Seller.

6.2 Purchaser's Agreement to Indemnify. In the event Purchaser breaches any of its representations, warranties, and covenants contained in this agreement, then, in addition to all other legal remedies which Seller may have, Purchaser agrees to indemnify and hold harmless Seller against any loss, liability, claim, damage, cost or expenses (including attorney's fees) resulting from any such breach. Purchaser further agrees to indemnify and hold harmless Seller against the following:

(a) Federal, foreign, state, municipal and other taxes owing by Purchaser for any period subsequent to the Closing Date, and asserted against Seller;

(b) Any obligation, debt or liability of Purchaser, which arises subsequent to the Closing Date; and

(c) Any claim or demand that arises out of, or results from, any act or omission, or alleged act or omission, of Purchaser or its employees, agents or subcontractors, including, without limitation, any tort or products liability claim based upon an event or sale of a product.

6.3 Survival. Each of the foregoing indemnities shall survive and continue in force after the transfer of the Assets to Purchaser.

SECTION 7 TERMINATION

Termination of Agreement. This Agreement and the transactions contemplated hereby may be terminated at any time prior to the Closing Date by mutual written consent of Purchaser and Seller.

SECTION 8 MISCELLANEOUS

8.1 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given, if delivered or mailed, first class postage prepaid, to the parties at their respective addresses reflected on the first page of this Agreement.

8.2 Expenses. Purchaser and Seller shall each pay his or its own costs and expenses (including, without limitation, the fees and expenses of his or its counsel, auditors and accountants and any finders' fees) incidental to the preparation and carrying out of this Agreement and the transactions contemplated hereby.

8.3 Finders' Fees. Each of the parties represents and warrants to the other that it has not engaged any broker, finder or other person who would be entitled to a brokerage or other fee or commission in respect of the execution of this Agreement and the consummation of the transactions contemplated hereby. Purchaser shall indemnify and hold Seller harmless against and in respect of any and all claims, liabilities and/or expenses which may be asserted against Seller by any such broker or other person on the basis of any arrangement or agreement made or alleged to have been made by Purchaser, its agents or employees; and Seller shall indemnify and hold Purchaser harmless in respect of any and all claims, liabilities and/or expenses which may be asserted against Purchaser by any such broker or other person on the basis of any arrangement or agreement made or alleged to have been

made by Seller, its agents or employees.

8.4 Amendment. This Agreement may not be amended other than by a written instrument executed by Purchaser and Seller.

8.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

8.6 Parties in Interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

8.7 Assignment. No party hereto shall assign this Agreement without first obtaining the written consent of the other parties.

8.8 Language Construction. The language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning, and not for or against any party hereto. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

8.9 Governing Law; Venue. This Agreement and any interpretation hereof and the resolution of any dispute hereunder shall be governed by the laws of the State of Arizona, and any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto shall be brought in the Superior Court, Maricopa County, Arizona, and for this purpose each party hereto hereby expressly and irrevocably consents to the jurisdiction of said Court.

8.10 Covenant Not to Compete. For a period of five years from and after the Closing Date, neither the Seller nor any of its affiliates, subsidiaries, officers, directors, or shareholders will engage directly or indirectly in any business involving the manufacturer and/or sale of bicycles and/or sporting goods within the continental United States; provided, however, that no owner of less than 1% of the outstanding stock of any publicly traded corporation shall be deemed to engage solely by reason thereof in any of its businesses. If the final judgment of a court of competent jurisdiction declares that any term or provision of this section is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed. In the event of any legal action to enforce the terms of this section, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

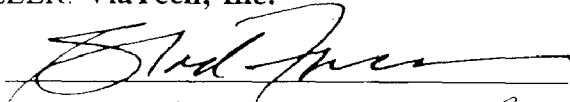
8.11 Covenant Not to Cause Violation of Seller's Nondisclosure Obligations. Purchaser shall neither use nor disclose any information in a manner it knows or believes will constitute a violation of any agreement Seller has with third parties.

8.12 Change of Seller's Name. Immediately following the Closing, Seller shall cause

its corporate name to be changed from "ViaTech, Inc." to a name totally dissimilar thereto. For a period of sixty (60) days following the Closing Date, the Seller may use the name "ViaTech" for transitional purposes.

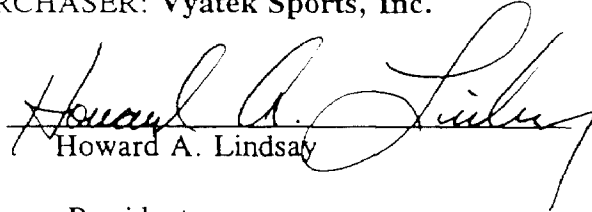
IN WITNESS WHEREOF, the parties have duly executed this Agreement effective the date first set forth above

SELLER: ViaTech, Inc.

By: 

Its: Corp. Secretary and Counsel

PURCHASER: Vyatek Sports, Inc.

By: 

Its: President

SCHEDULE 2.5

Possible Intellectual Property Interference

- possible misappropriation of Via Tech's multi-sized bicycle frame by Jamis Bicycles
- possible infringement or misappropriation of proprietary Via Tech technology relating to the design and manufacture of high-strength bicycle handlebars

EXHIBIT A
Bicycle Assets

Product Lines/Documentation:

- All bicycle products, designs, engineering documents, and related computer files.
- All goodwill and customer files related to bicycle customers.

Intellectual Property:

- All technology and trade secrets related to Internally Re-enforced Composites Tubes.
- Patent #5,853,651 issued 12/29/98 entitled Composite Structures and a High Pressure - Hollow Process for Manufacturing Such Structures.
- Pending patent #08/308,075 filed 9-16-94 entitled Lightweight Ergonomic Bar-End.
- "High Zoot" trademark.
- Technology and designs related to the "multi-sized bicycle frame".
- Assignment of all rights, to the extent assignable or transferable, in the rights to enforce the non-disclosure and non-compete agreements between ViaTech, its current and former employees and other interested parties related to the above technologies.

Tooling and Equipment:

- 5 degree steel handlebar mold-5 cavity.
- 9 degree steel high-rise handlebar mold-10 cavity.
- Aluminum high-rise handlebar tool, 2 cavity.
- 26.3 aluminum seatpost mold-5 cavity
- 27.2 aluminum seatpost mold-5 cavity
- 1" aluminum fork tube mold-5 cavity
- 1 1/8" aluminum fork tube mold.
- Miscellaneous parts for bicycle machining center.
- Master shape for Stealth bicycle frame.
- Prototype multi-sized bicycle frame (complete bicycle).
- Fiberglass autoclave mold for the Talon bicycle.
- Fiberglass autoclave mold for the Stealth bicycle (3 each).
- Misc. 1 place molds (3 each).
- Small CNC Machining Center.
- Small French lathe.
- Any and all other tooling, machinery and equipment not used in ViaTech's present or future business operations

Inventory:

- All bicycle related inventory including raw materials, components, manufacturing supplies, and marketing samples and prototypes specific to the above described products (mandrel materials, bladders, bottom brackets, pre-pregs, etc.) as attached.

Other Sporting Goods Assets

Product Lines/Documentation:

- All archery, Springboc, leaf spring, and Stanley spring products, designs, engineering documents, and related computer files.
- All goodwill and customer files related to sporting goods customers.

Intellectual Properties:

- 50% interest in patent #5,718,212 issued 2-17-98 entitled Composite Bow Limb, jointly owned with Escalade Sports.
- Trade secrets related to above products and customers.
- Assignment of all rights to the extent assignable or transferable, in the rights to enforce the non-disclosure and non-compete agreements between ViaTech, its current and former employees and other interested parties related to the above technologies.
- Assignment of all rights in that certain Teaming Agreement dated 4-5-94 between Seller and Dr. R. Igor Gamow and Hugh Herr, subject to any contractual consent requirements in such Teaming Agreement.

Tooling, Material, and Samples:

- Tooling all owned by Escalade Sports and transferred to them during 1997.
- 12 kits for bow limbs.
- 3210 lbs. of E-glass raw material.
- 299 lbs. of S-glass raw material.
- Any and all other tooling, machinery and equipment not used in ViaTech's present or future business operations.

Inventory:

- All miscellaneous sporting goods related inventory including raw materials, components, manufacturing supplies, and marketing samples and prototypes specific to such products as archery equipment, running shoe components, leaf springs, and the like.

**Asset Acquisition Statement
 Under Section 1060**

OMB No. 1545-1021

Attachment
 Sequence No. 61

▶ Attach to your Federal income tax return.

Name as shown on return _____ Identification number as shown on return _____

Check the box that identifies you: Buyer Seller

General Information—To be completed by all filers.

1 Name of other party to the transaction _____ Other party's identification number _____

Address (number, street, and room or suite no.) _____

City or town, state, and ZIP code _____

2 Date of sale _____ 3 Total sales price _____

Assets Transferred—To be completed by all filers of an original statement.

4 Assets	Aggregate Fair Market Value (Actual Amount for Class I)	Allocation of Sales Price
Class I	\$ ϕ	\$
Class II	\$ ϕ	\$
Class III	\$ 125,000	\$
Classes IV and V	\$ 125,000	\$
Total	\$ 250,000	\$

5 Did the buyer and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties? Yes No
 If "Yes," are the aggregate fair market values listed for each of asset Classes I, II, III, IV and V the amounts agreed upon in your sales contract or in a separate written document? Yes No

6 In connection with the purchase of the group of assets, did the buyer also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)? Yes No
 If "Yes," specify (a) the type of agreement, and (b) the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See the instructions for line 6.

15,000

**PATENT
 REEL: 013735 FRAME: 0663**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

A Change To Note

New temporary regulations under sections 1060 and 338 clarified the rules for allocating assets acquired after February 13, 1997. Under the new rules, all section 197 intangibles (other than goodwill and going concern value) are included in Class IV. Goodwill and going concern value are assigned to a new class, Class V. See "Class IV" and "Class V" under Definitions below.

Purpose of Form

Both the seller and buyer of a group of assets that makes up a trade or business must use Form 8594 to report such a sale if goodwill or going concern value attaches, or could attach, to such assets and if the buyer's basis in the assets is determined only by the amount paid for the assets ("applicable asset acquisition," defined below). Form 8594 must also be filed if the buyer or seller is amending an original or a previously filed supplemental Form 8594 because of an increase or decrease in the buyer's cost of the assets or the amount realized by the seller.

Who Must File

Subject to the exceptions noted below, both the buyer and the seller of the assets must prepare and attach Form 8594 to their Federal income tax returns (Forms 1040, 1041, 1065, 1120, 1120S, etc.).

Exceptions. You are not required to file Form 8594 if any of the following apply:

1. The acquisition is not an applicable asset acquisition (defined below).
2. A group of assets that makes up a trade or business is exchanged for like-kind property in a transaction to which section 1031 applies. However, if section 1031 does not apply to all the assets transferred, Form 8594 is required for the part of the group of assets to which section 1031 does not apply. For information about such a transaction, see Regulations section 1.1060-1T(b)(4).
3. A partnership interest is transferred. See Regulations section 1.755-2T for special reporting requirements.

When To File

Generally, attach Form 8594 to your Federal income tax return for the year in which the sale date occurred. If the amount allocated to any asset is increased or decreased after Form 8594 is filed, the seller and/or buyer (whoever is affected) must complete Part I and the supplemental statement in Part III of a new Form 8594 and attach the form to the Federal tax return for the year in which the increase or decrease is taken into account.

Penalty

If you fail to file a correct Form 8594 by the due date of your return and you cannot show reasonable cause, you may be subject to a penalty. See sections 6721 through 6724.

Definitions

"Applicable asset acquisition" means a transfer of a group of assets that makes up a trade or business in which the buyer's basis in such assets is determined wholly by the amount paid for the assets. An applicable asset acquisition includes both a direct and indirect transfer of a group of assets, such as a sale of a business.

A group of assets makes up a "trade or business" if goodwill or going concern value could under any circumstances attach to such assets. A group of assets could qualify as a trade or business whether or not they qualify as an active trade or business under section 355 (relating to controlled corporations). Factors to consider in making this determination include (a) any excess of the total paid for the assets over the aggregate book value of the assets (other than goodwill or going concern value) as shown in the buyer's financial accounting books and records, or (b) a license, a lease agreement, a covenant not to compete, a management contract, an employment contract, or other similar agreements between buyer and seller (or managers, directors, owners, or employees of the seller).

The buyer's "consideration" is the cost of the assets. The seller's "consideration" is the amount realized.

"Fair market value" is the gross fair market value unadjusted by mortgages, liens, pledges, or other liabilities. However, for determining the seller's gain or loss, generally, the fair market value of any property is not less than any nonrecourse debt to which the property is subject.

The following definitions apply to applicable acquisitions after February 13, 1997. For transitional rules that apply to acquisitions before February 14, 1997, see **Transitional Rules** on page 4.

"Class I assets" are cash, demand deposits, and similar accounts in banks, savings and loan associations, and other depository institutions, and other similar items that may be designated in the Internal Revenue Bulletin.

"Class II assets" are certificates of deposit, U.S. Government securities, readily marketable stock or securities, foreign currency, and other items that may be designated in the Internal Revenue Bulletin.

"Class III assets" are all tangible and intangible assets that are not Class I, II, IV, or V assets. Amortizable section 197 intangibles are Class IV assets. Examples of Class III assets are furniture and fixtures, land, buildings, equipment, and accounts receivable.

"Class IV assets" are all amortizable section 197 intangibles, except for goodwill and going concern value. Amortizable section 197 intangibles include:

- Workforce in place,
- Business books and records, operating systems, or any other information base,
- Any patent, copyright, formula, process, design, pattern, know-how, format, or similar item,
- Any customer-based intangible,
- Any supplier-based intangible,

- Any license, permit, or other right granted by a governmental unit,
- Any covenant not to compete entered into in connection with the acquisition of an interest in a trade or a business, and
- Any franchise (other than a sports franchise), trademark, or trade name.

However, the term "section 197 intangible" does not include any of the following:

- An interest in a corporation, partnership, trust, or estate,
- Interests under certain financial contracts,
- Interests in land,
- Certain computer software,
- Certain separately acquired interests in films, sound recordings, video tapes, books, or other similar property,
- Certain separately acquired rights to receive tangible property or services,
- Certain separately acquired interests in patents or copyrights,
- Interests under leases of tangible property,
- Interests under indebtedness,
- Professional sports franchises,
- Certain transaction costs.

See section 197(e) for further information.

"Class V assets" are section 197 intangibles in the nature of goodwill and going concern value.

Allocation of Consideration

An allocation of the purchase price must be made to determine the buyer's basis in each acquired asset and the seller's gain or loss on the transfer of each asset. Use the residual method for the allocation of the sales price among the amortizable section 197 intangibles and other assets transferred. See Regulations section 1.1060-1T(d). The amount allocated to an asset, other than a Class V asset, cannot exceed its fair market value on the purchase date. The amount you can allocate to an asset also is subject to any applicable limits under the Internal Revenue Code or general principles of tax law. For example, see section 1056 for the basis limitation for player contracts transferred in connection with the sale of a franchise.

Consideration should be allocated as follows: (a) reduce the consideration by the amount of Class I assets transferred, (b) allocate the remaining consideration to Class II assets in proportion to their fair market values on the purchase date, (c) allocate to Class III assets in proportion to their fair market values on the purchase date, (d) allocate to Class IV assets in proportion to their fair market values on the purchase date, and (e) allocate to Class V assets.

Reallocation After an Increase or Decrease in Consideration

If an increase or decrease in consideration that must be taken into account to redetermine the seller's amount realized on the sale, or the buyer's cost basis in the assets, occurs after the purchase date, the seller and/or buyer must allocate the increase or decrease among the assets. If the increase or decrease occurs in the same tax year as

the purchase date, consider the increase or decrease to have occurred on the purchase date. If the increase or decrease occurs after the tax year of the purchase date, consider it in the tax year in which it occurs.

For an increase or decrease related to a patent, copyright, etc., see **Specific Allocation** below.

Allocation of Increase

Allocate an increase in consideration as described under **Allocation of Consideration**. If an asset has been disposed of, depreciated, amortized, or depleted by the buyer before the increase occurs, any amount allocated to such asset by the buyer must be properly taken into account under principles of tax law applicable when part of the cost of an asset (not previously reflected in its basis) is paid after the asset has been disposed of, depreciated, amortized, or depleted.

Allocation of Decrease

Allocate a decrease in consideration as follows: (a) reduce the amount previously allocated to Class V assets, (b) reduce the amount previously allocated to Class IV assets in proportion to their fair market values on the purchase date, (c) reduce the amount previously allocated to Class III assets in proportion to their fair market values on the purchase date, and (d) reduce the amount previously allocated to Class II assets in proportion to their fair market values on the purchase date.

You cannot decrease the amount allocated to an asset below zero. If an asset has a basis of zero at the time the decrease is taken into account because it has been disposed of, depreciated, amortized, or depleted by the buyer, the decrease in consideration allocable to such asset must be properly taken into account under principles of tax law applicable when the cost of an asset (previously reflected in basis) is reduced after the asset has been disposed of, depreciated, amortized, or depleted. An asset is considered to have been disposed of to the extent the decrease allocated to it would reduce its basis below zero.

Transitional Rules

For acquisitions before February 14, 1997, that do not include section 197 intangibles, you must use the prior rules (the rules in effect before the issuance of new temporary regulations on January 9, 1997). See **Allocation of consideration under prior rules** below.

For acquisitions before February 14, 1997, that include section 197 intangibles, you may consistently:

- Apply the rules and definitions contained in these instructions and in Temporary regulations section 1.1060-1T;
- Apply the prior rules and definitions described below under **Allocation of consideration under prior rules**; or
- Apply the prior rules and definitions, but treat amortizable section 197 intangibles as Class IV assets.

Allocation of consideration under prior rules. Under the prior rules, purchase price is allocated to the following four classes:

"Class I assets," which include cash and demand deposits

"Class II assets," which include highly liquid assets (e.g., readily marketable securities and certificates of deposit).

"Class III assets," which include all transferred assets that are not in Classes I, II, and IV. This includes tangible and intangible assets, whether or not depreciable, depletable, or amortizable (e.g. furniture, equipment, buildings, accounts receivable, and covenants not to compete).

"Class IV assets," which include assets in the nature of goodwill and going concern value.

Patents, Copyrights, and Similar Property

You must make a specific allocation (defined below) if an increase or decrease in consideration is the result of a contingency that directly relates to income produced by a particular intangible asset, such as a patent, a secret process, or a copyright, and the increase or decrease is related only to such asset and not to other assets. If the specific allocation rule does not apply, make an allocation of any increase or decrease as you would for any other assets as described under **Allocation of Increase and Allocation of Decrease**.

Specific Allocation

Limited to the fair market value of the asset, any increase or decrease in consideration is allocated first specifically to the patent, copyright, or similar property to which the increase or decrease relates, and then to the other assets in the order described under **Allocation of Increase and Allocation of Decrease**. For purposes of applying the fair market value limit to the patent, copyright, or similar property, the fair market value of such asset is redetermined when the increase or decrease is taken into account by considering only the reasons for the increase or decrease. The fair market values of the other assets are not redetermined.

Specific Instructions

For an original statement, complete Parts I and II. For a Supplemental Statement, complete Parts I and III.

Enter your name and taxpayer identification number (TIN) at the top of the form. Then check the box for buyer or seller.

Part I

Line 1. Enter the name, address, and TIN of the other party to the transaction (buyer or seller). You are required to enter the TIN of the other party. If the other party is an individual or sole proprietor, enter the social security number. If the other party is a corporation, partnership, or other entity, enter the employer identification number.

Line 2. Enter the date on which the sale of the assets occurred.

Line 3. Enter the total consideration transferred for the assets.

Part II

Line 4. For a particular class of assets, enter the total fair market value of all the assets in the class and the total allocation of the sales price. For Classes IV and V, enter the total fair market value of Class IV and Class V combined, and the total portion of the sales price allocated to Class IV and Class V combined.

Line 6. This line must be completed by the buyer and the seller. To determine the maximum consideration to be paid, assume that any contingencies specified in the agreement are met and that the consideration paid is the highest amount possible. If you cannot determine the maximum consideration, state how the consideration will be computed and the payment period.

Part III

Complete Part III and file a new Form 8594 for each year that an increase or decrease in consideration occurs. Give the reason(s) for the increase or decrease in allocation. Also, enter the tax year(s) and form number with which the original and any supplemental statements were filed. For example, enter "1997 Form 1040."

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** 8 hr., 51 min.
- Learning about the law or the form** 1 hr., 35 min.
- Preparing and sending the form to the IRS** 1 hr., 49 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the IRS at the address listed in the instructions for the tax return with which this form is filed.



ASSIGNMENT AGREEMENT

U.S. Patent No. 5,853,651

and Related Rights

THIS ASSIGNMENT AGREEMENT is executed as of the date last set forth below by Simula, Inc., an Arizona corporation ("Simula") with offices at 2700 N. Central Ave., Suite 1000, Phoenix, Arizona 85004, for the benefit of Vyatek Sports, Inc., an Arizona corporation ("Vyatek"), with offices at 12442 N. Via LaPlaya, Fountainhills, Arizona 85268.

WHEREAS, Simula is the sole and exclusive owner of U.S. Patent No. 5,853,651 entitled "High pressure hollow process for manufacturing composite structures" which was issued by the United States Patent and Trademark Office on December 29, 1998 (the "Patent"); and

WHEREAS, Vyatek is desirous of acquiring Simula's ownership rights in and to the high pressure hollow process for manufacturing composite structures, including, without limitation, the Patent, and all trade secrets and other intellectual property rights related thereto (said Patent, trade secrets and other intellectual property being collectively referred to as the "Proprietary Technology");

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, Simula, by these presents, does sell, assign, and transfer unto Vyatek free and clear of all liens and encumbrances, all of its right, title, and interest in and to the Proprietary Technology, any corresponding applications for Letters Patent and Letters Patent therefor in all other areas of the world, and any reissues, extensions, substitutions, confirmations, divisions, and continuations of any of the foregoing (hereinafter the "Invention Rights"), to have and to hold for the sole and exclusive use and benefit of Vyatek, and its successors-in-interest, and assigns, forever.

Simula hereby covenants and agrees, for itself and its respective legal representatives, to assist and cooperate with Vyatek, for no additional consideration but with out-of-pocket expenses paid by Vyatek, in the prosecution or defense of any interference, re-examination, re-issue, opposition, or other proceeding that may arise in connection with any applications or Letters Patent included within the Invention Rights and further to execute and deliver to Vyatek, any and all additional papers that Vyatek may request for the purposes of implementing the terms of this Agreement or otherwise evidencing the assignment effected hereby.

Simula hereby authorizes and empowers Vyatek to invoke and claim for Letters Patent included with the Invention Rights, the benefit of any rights to which Simula might be entitled under international law or under the laws of any particular country (such as, without limitation, the right of priority provided by the International Convention for the Protection of Industrial Property, as amended), and to invoke and claim such rights without further written or oral authorization from Simula. Simula further consents that a copy of this Agreement shall be deemed a full legal and formal equivalent of any assignment, consent to file, or like document that may be required in any particular country for any purpose and more particularly in proof of the right of Vyatek to claim the aforesaid benefit of the right of priority provided by the International Convention for the Protection of Industrial Property, as amended.

Executed this 30 day of June, 1999, at Phoenix, Az.

SIMULA, INC.

By: [Signature]

Title: EVP - General Counsel

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 30 day of June, 1999, by Brad Forst, the Exec V. P. of Simula, Inc., an Arizona corporation.

[Signature]
Notary Public

My commission expires:

2-17-2003

