

03-07-2007



IEET

103379728

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)

Easytee Limited

2. Name and address of receiving party(ies)

Name: SNUK Limited

Internal Address: _____

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

3. Nature of conveyance/Execution Date(s):

Execution Date(s) 12/5/03

☐ Assignment

☐ Merger

☐ Security Agreement

☐ Change of Name

☐ Joint Research Agreement

☐ Government Interest Assignment

☐ Executive Order 9424, Confirmatory License

☒ Other Sale and Purchase Agreement

Street Address: Phoenix House, Aston Church Road

City: Saltley

State: Birmingham

Country: Great Britain Zip: B8 1QE

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application or patent number(s):

☒ This document is being filed together with a new application.

A. Patent Application No.(s)

10/470,297

B. Patent No.(s)

Additional numbers attached? ☐ Yes ☒ No

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

Name: Barry L. Kelmachter

Internal Address: BACHMAN & LaPOINTE, P.C.

Street Address: 900 Chapel Street, Suite 1201

City: New Haven

State: CT

Zip: 06510

Phone Number: 203-777-6628

Fax Number: 203-865-0297

Email Address: docket@bachlap.com

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 40.00

☐ Authorized to be charged by credit card

☐ Authorized to be charged to deposit account

☒ Enclosed

☐ None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers _____

Expiration Date _____

b. Deposit Account Number 02-0184

Authorized User Name Barry L. Kelmachter

9. Signature:

Signature

March 1, 2007

Date

Barry L. Kelmachter

Name of Person Signing

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

22

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

PATENT
REEL: 019001 FRAME: 0344

DATED 5 December 2003

EASYTEE LIMITED

and

SNUK LIMITED

and

ALAN FOSTER, PHILIP GAGER AND OTHERS

SALE AND PURCHASE AGREEMENT
relating to certain Intellectual Property and Intellectual
Property Rights relating to the "Easytee" mechanical ball device



**KILPATRICK
STOCKTON LLP**

Attorneys at Law

68 Pall Mall
London
SW1Y 5ES
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Product, the Sale Intellectual Property and/or the Intellectual Property Rights;

"Connected Person" has the meaning ascribed thereto in s.839 ICTA;

"Consideration" has the meaning given thereto in Clause 4;

"Product" means the Mechanical Golf Ball Handling Device for Driving Ranges known as the "Easytee", the subject of International Patent No. W0 03/004110 A1;

"Intellectual Property Rights" means all rights in or arising out of patents, trade, service and other marks, registered designs (and applications for all of the same), copyrights, rights affording equivalent protection to copyrights and design rights, topography rights, moral rights, trade, product, brand and business names, get-ups, inventions, discoveries, improvements, designs, techniques, computer programs, trade secrets, technical and commercial know-how and confidential processes and information (including such rights in information set out in the Records) and any licences and agreements relating to any of the same and the full right to all intellectual property and legal protection relating to the same and in each case of or belonging to the Vendor and relating to the Product, including (without limitation):

- (a) the patents and patent applications listed in Schedule 1;
- (b) the name "Easytee" and the exclusive right of the Purchaser to use and exploit the name "Easytee" and any goodwill attaching to the name and the Product;
- (d) the unregistered copyright, trade, product, brand and business names, get-ups, designs and other rights; and
- (e) the rights of the Vendor under the licences and other agreements relating to intellectual property granted to or by the Vendor;

"Intellectual Property Rights Agreements" means agreements or arrangements which relate in whole or in part to the Intellectual Property Rights;

"Purchaser's Solicitors" means Kilpatrick Stockton LLP of 68 Pall Mall, London SW1Y 5ES;

"Records"		means all data, files, records, notebooks, blueprints, computer programs, instructions, flow-charts, designs, drawings, specifications, customer lists, customer records, market research and advertising material, tradecards, price lists, photographs artwork and promotional material (in every case of or belonging to the Vendor and relating to the Product) and including all and any such material in machine-readable form;
"Sale Intellectual Property"		means all intangible assets of the Product embodying the Intellectual Property Rights including those which have been developed, made or created and are used in connection with the Product;
"Vendor's Group"		means the Vendor and any subsidiary from time to time of the Vendor and any holding company from time to time of the Vendor and any subsidiary from time to time of any such holding company;
"Vendor"/ "Purchaser"		shall include their respective personal representatives, executors, successors and permitted assigns;
"Vendor's Solicitors"		means Aspinall Wright of 65 High Street West, Glossop, Derbyshire SK12 8AZ;
"Warranties"		means the representations and warranties contained in Schedule 2 and Clause 7; and
"Warrantors"		means the Vendor, Alan Foster, Philip Gager and AIM Engineering Limited.

- 1.2 References in this Agreement to any Legislation shall be construed as references to such Legislation as replaced, re-enacted, extended or amended from time to time (whether before or after the date hereof) and any past Legislation which it replaced, re-enacted, extended or amended.
- 1.3 The Schedules form an integral part of this Agreement and references to "this Agreement" shall be construed accordingly.
- 1.4 References to Recitals, Clauses and Schedules are, unless otherwise stated references to recitals to, clauses of and schedules to this Agreement.
- 1.5 References to document "in the Agreed Form" shall be to documents in the terms approved by each of the parties and initialled by or on behalf of them.
- 1.6 Words in the singular include the plural and vice versa.
- 1.7 Words importing the masculine gender include the feminine and neuter and vice versa.

1.8 References to persons include bodies corporate, unincorporated associations, partnerships or an authority.

1.9 Headings and the use of bold type in this Agreement are for convenience only and shall not affect the construction or interpretation of this Agreement.

2 SALE OF THE INTELLECTUAL PROPERTY

2.1 The Vendor shall sell with full title guarantee and the Purchaser, relying on the representations, warranties and undertakings by the Vendor herein contained, shall purchase, on the terms and conditions herein contained:

2.1.1 the Sale Intellectual Property;

2.1.2 the Intellectual Property Rights; and

2.1.3 the Records.

2.2 The Vendor hereby assigns to the Purchaser all rights, title and interest it has in the Intellectual Property Rights and to the Sale Intellectual Property and the Intellectual Property Rights Agreements together with all statutory and common-law rights attaching thereto including the right to sue for damages and other remedies in respect of any infringement or misuse of Sale Intellectual Property, the Intellectual Property Rights or other unauthorised acts for the full period of such rights to hold the same unto the Purchaser absolutely.

2.3 The Vendor shall sell the Assets free from any and all options, liens, charges, encumbrances, equities and other third party rights of any nature whatsoever and together with all accrued benefits and rights attaching thereto.

2.4 The Purchaser shall not be obliged to complete the purchase of any of the Assets unless the purchase of all the Assets is completed simultaneously.

2.5 The Vendor shall (if so requested by the Purchaser) use its reasonable endeavours to obtain with effect from Completion the consent of any third party whose consent is required to an assignment or novation of any Intellectual Property Agreements and shall (if so requested by the Purchaser and subject to such consent) effect or join in assignments or novations of the Intellectual Property Agreements as soon as reasonably practicable following Completion.

2.6 Failing or pending any assignment or novation as referred to in Clause 2.5, the Vendor shall:

2.6.1 continue to remain liable under any such Intellectual Property Agreements as a contracting party on the basis that the Purchaser shall at its own expense assume the obligations under such Intellectual Property Agreements as agent for the Vendor to the extent permissible and lawful under such Intellectual Property Agreements; and

2.6.2 if so requested by the Purchaser, terminate the relevant Intellectual Property Agreements as soon as reasonably practicable after being requested by the Purchaser so to do.

2.7 The Vendor agrees to execute all such documents, forms and authorisations and depone to or swear such and any declaration or oath as may be required by the Purchaser to give effect to this Agreement or which may otherwise be necessary for vesting the rights hereby assigned in the Purchaser.

3 ASSIGNMENT OF PATENT RIGHTS IN THE US

3.1 Mr Gager is the proprietor of certain Intellectual Property Rights pursuant to a patent application PCT Number PCT/GB02/00788 relating to the Mechanical Handling Device for Golf Balls at a Driving Range (the "Patent"). The rights of Mr Gager under the PCT Application are limited to the exploitation of all rights arising under the Patent in the United States.

3.2 In consideration of the sum of £1.00 (one pound) (receipt of which Mr Gager hereby acknowledges), Mr Gager hereby assigns to the Purchaser with full title guarantee the full and exclusive benefit of the Patent in the United States including (without limitation):

3.2.1 the right to recover and take all such proceedings as may be necessary for the recovery of damages or otherwise in respect of all infringements of the Patent whether committed before or after the date of this Agreement;

3.2.2 the absolute entitlement to any patent(s) granted pursuant to any of the application(s) comprised in the Patent(s), for the full term of such patent(s).

4 CONSIDERATION AND VALUE ADDED TAX

The consideration for the Assets shall be the sum of £1.00 (one pound only) (together with VAT thereon) which shall be satisfied by the payment in cash at Completion.

5 COMPLETION

5.1 Completion shall take place immediately after the execution hereof at the offices of the Purchaser's Solicitors when all (but not part only unless the Purchaser so agrees) of the following business shall be transacted:

5.1.1 the Vendor shall:

(a) give possession to the Purchaser of the Assets, the property in which is transferable by delivery;

(b) (if requested by the Purchaser so to do) deliver to the Purchaser duly executed assignments, transfers or novations of such of the Assets as are not transferable by delivery (including, without limitation, assignments of certain of the Intellectual Property Rights in the Agreed Form); and any documents of title or other documents necessary to substantiate the rights of the Vendor to dispose of the Assets and to

give good title to the same and (where applicable) to enable the Purchaser or its nominees to be registered in respect thereof ;

5.1.2 the Purchaser shall deliver to the Vendor's Solicitors (as agents for the Vendor) the consideration payable in cash on Completion hereunder.

5.2 The Purchaser shall not be obliged to complete this Agreement unless:

5.2.1 the Vendor complies fully with its obligations under Clause 5.1; and

5.2.2 the sale of all the Assets is completed simultaneously (but so that completion of the sale of some of the Assets will not affect the rights of the Purchaser with respect to the remaining Assets).

6 POST-COMPLETION MATTERS

6.1 Following Completion the Vendor shall cease to be involved with the development or manufacture of a golf driving range automatic tee-up machine/device.

6.2 Notwithstanding Completion the Vendor shall from time to time execute and do or procure to be executed and done all documents, acts and things as may be necessary or requisite effectually to vest the Assets in the Purchaser and to give to the Purchaser the full benefit of this Agreement and the Product.

6.3 Following Completion the Vendor shall promptly:

6.3.1 forward to the Purchaser any notices, correspondence, information or enquiries received by the Vendor relating to the Product and/or the Assets; and

6.3.2 provide or procure to be provided to the Purchaser all information in its possession or under its control which the Purchaser may from time to time reasonably require relating to the Product and/or the Assets.

7 WARRANTIES

7.1 The Warrantors warrant, represent and undertake to the Purchaser that as at the date of this Agreement each of the statements set out in Schedule 2 is true and accurate in all respects and not misleading.

7.2 The Warrantors acknowledge that they have previously made representations to the Purchaser in the terms of Schedule 2 with the intention of inducing the Purchaser to enter into this Agreement and that the Purchaser relied on those representations and has accordingly been induced by them to enter into this Agreement.

7.3 Each of the Warranties shall be construed as a separate warranty and (save as expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other Warranty or any other term of this Agreement.

7.4 If it shall be found that any matter which is the subject of any of the Warranties is not as warranted, represented or undertaken, then if the effect is that:

- 7.4.1 all or part of the Assets is worth less than its value would have been at Completion had there been no such breach of the Warranties;
- 7.4.2 the Purchaser has incurred or will incur any liability which it would not have incurred or any liability in excess of the liability which it would have incurred had the matter been as warranted, represented or undertaken; or
- 7.4.3 the Purchaser has suffered or will suffer any other loss, direct or indirect, or cost, charge or expense,

then, without prejudice to any other rights and remedies available at any time to the Purchaser, the Purchaser may at its option by notice to the Warrantors require the Warrantors to pay forthwith to the Purchaser an amount equal to the diminution in the value of the Assets or the loss occasioned by such liability or excess liability or such other loss, cost, charge or expense or to pay to the Purchaser an amount equal to the diminution thereby caused in the value of the Assets.

- 7.5 The Warrantors agree to indemnify the Purchaser in full for and against all costs (including legal costs) and expenses incurred by the Purchaser either before or after the commencement of any action in connection with:-

- 7.5.1 the settlement of any claim that any of the Warranties has been breached or is untrue, inaccurate or misleading;
- 7.5.2 any legal proceedings arising out of or in connection with any claim for breach of Warranty in which judgement is given in favour of the Purchaser; or
- 7.5.3 the enforcement of any such settlement of judgement.

- 7.6 The rights of the Purchaser under Clauses 7.4 and 7.5 shall be in addition and without prejudice to any other right or remedy available to it under this Agreement or otherwise.

8 NON-DISCLOSURE OF INFORMATION AND PROTECTIVE COVENANTS

- 8.1 The Vendor shall not and shall procure that no Connected Person of the Vendor shall:
 - 8.1.1 disclose any Confidential Information relating to the Assets to any person or enable any person to become aware of any Confidential Information relating to the Assets; or
 - 8.1.2 make use of any Confidential Information relating to the Business or the Assets,

except as required by law or in order to give effect to this Agreement unless and until such Confidential Information comes into the public domain otherwise than as a result of its wrongful disclosure to any person. The expression "Confidential Information" in this Clause shall include, without limitation, the Sale Intellectual Property, the Intellectual Property Agreements, the Intellectual Property Rights, trade secrets,

reports, notes, inventions, know how, memoranda and other documentary records relating to the Product.

8.2 For the purpose of assuring to the Purchaser the full benefit of the Assets, the Vendor and each of the Covenantors hereby covenants with the Purchaser that none of them will:

- 8.2.1 for a period of 2 years from Completion anywhere in the world carry on or be engaged or concerned or interested in the development, manufacture, production, sale or distribution of a product which is similar to, competitive with or likely to be competitive with, the Product; or
- 8.2.2 for a period of 2 years from Completion carry on or be engaged or concerned or interested in the business of marketing or supplying goods similar to the Product in any country where the Vendor is at Completion (or was at any time within the 12 months prior to Completion) marketing or supplying the Product (whether through agents, distributors or otherwise); or
- 8.2.3 for a period of 2 years from Completion act for, canvass, approach, solicit for or accept orders or entice away from the Purchaser in respect of goods similar to the Product any person who or which has at any time within the period of 12 months prior to Completion been a customer of the Vendor or any prospective customer of the Vendor, and during such period they shall not use their knowledge of or influence over any such customer to or for their own benefit or the benefit of any other person carrying on business in competition with the Purchaser or otherwise use their knowledge of or influence over any such customer to the detriment of the Purchaser or any member of the Purchaser's Group; or
- 8.2.4 for a period of 2 years from Completion induce or attempt to induce any supplier to the Vendor at Completion (or at any time within the 12 months prior to Completion) to cease to supply, or to restrict or vary the terms of supply, to the Purchaser in respect of the Product; or
- 8.2.5 for a period of 2 years from Completion solicit the services of or entice away or offer employment to any person during or within 12 months after termination of their employment by the Purchaser who at the Completion Date or at any time during the period of 12 months prior to Completion is or has been in the employment of the Vendor with a view to the specific knowledge or skills of such person being used by or for the benefit of any person carrying on business in competition with the business carried on by the Purchaser; or
- 8.2.6 at any time after Completion use or (so far as within its reasonable control) permit to be used any trade name or get-up used in connection with the Product at Completion (or at any time within the 12 months prior to Completion)] or any other name likely to be confused with such name or get-up; or

- 8.2.7 at any time after Completion use as all or part of its name or as a trade or service mark or part thereof or as the get-up for trading in goods or services, the word "Easytee" or any colourable imitation thereof; or
- 8.2.8 at any time after Completion do or say anything which is likely or intended to damage the goodwill or reputation of the Business or which may lead any person to cease to do business with the Business or substantially equivalent terms to those previously offered or lead any person not to engage in business with the Business.
- 8.3 The restrictions set out in Clause 8.2 shall apply whether the relevant activities are carried on directly or indirectly by the Vendor, the Covenantors or any of its Connected Persons or whether the Vendor, the Covenantors or any of its Connected Persons is interested or concerned either solely or jointly with or as employee, secondee, manager, adviser, consultant, partner or agent for any other person or as a shareholder or director of a company (but disregarding for this purpose any interest of a person in securities which are listed on The Stock Exchange or traded on the Alternative Investment Market of The Stock Exchange where such interest is in securities which, in all circumstances, carry 5% or less of the voting rights (if any) attaching to the issued securities of that class).
- 8.4 The restrictions set out in Clause 8.2 are considered by the parties to be no more extensive than is reasonable to protect the Purchaser as the purchaser of the Assets. Each of such restrictions shall be enforceable by the Purchaser independently of each of the others and its enforceability shall not be affected by any invalidity of any of the others. If any such restriction shall be found to be void which would be valid if some part thereof were deleted or the period or area of application thereof were reduced, such restriction shall apply with such modifications as may be necessary to make it valid or effective. The Purchaser may by notice to the Vendor at any time reduce in whole or in part the scope of such restrictions to such extent as the Purchaser shall in its absolute discretion determine and thereupon such restrictions shall apply as modified by such notice.
- 8.5 To enable the Purchaser to obtain the full benefit of the name "Easytee", the Covenantors shall by special resolution in writing of all the members of the Vendor change the name of the Vendor on or as soon as practicable after Completion to such new name as the Vendor and the Purchaser shall agree (such name not being the name of an existing company, nor requiring any special approval or consent, nor being similar to the Vendor's present name and having no connection with the Product). The Vendor shall (if so requested by the Purchaser) confirm in writing to the Registrar of Companies that it has no objection to the Purchaser applying to register the name Easytee as a corporate name.

9 FURTHER ASSURANCE AND ATTORNEY

- 9.1 Upon and after Completion the Vendor and the Covenantors shall do and execute or procure to be done and executed all other necessary acts deeds documents and things within their power to give effect to this Agreement.

- 9.2 The Vendor shall provide or procure to be provided to the Purchaser all information in their possession or under their control as the Purchaser shall from time to time reasonably require relating to the Assets and will give or procure to be given to the Purchaser its directors and agents such access (including the right to take copies) to such documents containing such information as the Purchaser may from time to time reasonably require.

10 ANNOUNCEMENTS

- 10.1 Except as required by law or by the terms of this Agreement, the parties shall not disclose any of the terms of this Agreement (whether before or after Completion) and all announcements and circulars by or on behalf of either of the parties and relating to the sale and purchase hereunder shall be in terms agreed between the parties.

11 GENERAL

- 11.1 All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters then already fully performed.
- 11.2 This Agreement is personal to the Vendor and the Covenantors who may not assign it or any rights herein, or delegate or sub-contract the performance of any of their obligations hereunder, except as provided herein or with the Purchaser's prior written consent. The Purchaser may assign the benefit of all or any part of this Agreement to any member of the Purchaser's Group or to any other person to whom all or part of the Assets is transferred and any such member or other person may enforce such benefit as if it had been named in this Agreement as the Purchaser.
- 11.3 This Agreement shall not be varied or any provision thereof waived except in writing signed by duly authorised officers of the parties.
- 11.4 No delay, neglect or forbearance on the part of any party in enforcing against any other party any obligation under this Agreement shall operate as a waiver or in any way prejudice any right of the first-mentioned party under this Agreement. No waiver of any breach of any provision of this Agreement shall be deemed to authorise any prior or subsequent breach of the same or any other provision. Save where the context otherwise requires, no single or partial exercise by any party of any right, power or remedy hereunder shall preclude any prior or subsequent exercise of the same or any other right, power or remedy.
- 11.5 Notwithstanding that any one of more provisions of this Agreement may prove to be illegal or unenforceable, the remaining provisions hereof shall continue in full force and effect and the parties shall negotiate in good faith to agree and implement substitute provisions having similar effect so far as the law permits.
- 11.6 This Agreement and the other documents referred to herein constitute the entire agreement between the parties relating to the transactions contemplated by this Agreement and supersede all previous agreements, arrangements and undertakings between the parties in respect of the subject matter hereof. Each of the parties acknowledges that in entering into this Agreement it has not relied on any

representation, warranty or undertaking save as set out in this Agreement and the other documents referred to herein. This acknowledgement shall not apply to any misrepresentations and/or breaches of Warranty which constitute fraud.

- 11.7 This Agreement may be executed in any number of counterparts by the different parties hereto on separate counterparts, each of which when executed and delivered shall constitute an original, but all of which shall together constitute one and the same instrument.
- 11.8 Each party shall bear its own costs, charges and expenses of and incidental to the entering into and carrying into effect of this Agreement and the documents referred to herein except as otherwise expressly provided in this Agreement.
- 11.9 The Contracts (Rights of Third Parties) Act 1999 is excluded, by the agreement of all the parties to this Deed of Agreement, from applying to this Deed of Agreement to the maximum extent permitted by law. No term of this Agreement is enforceable by any person who is not a party to it, whether in accordance with such Act or otherwise. This Clause shall prevail in the event of any conflict between it and anything else in this Agreement.

12 NOTICES

- 12.1 Any notice or other document to be served under this Agreement shall be in writing and shall be delivered by hand, facsimile transmission or prepaid registered or recorded delivery post addressed to the other party at the respective address herein contained or such other address in the United Kingdom as may previously have been notified by such party in respect of itself in accordance with this Clause 12.
- 12.2 Any notice given pursuant to Clause 12.1 shall be deemed to have been served:
- 12.2.1 if delivered by hand, on the first Business Day following delivery
 - 12.2.2 if sent by facsimile transmission on the first Business Day following successful transmission;
 - 12.2.3 if sent by prepaid registered or recorded delivery post, on the third Business Day after posting if the address of the recipient is in the country of despatch, otherwise on the seventh Business Day after posting.
- 12.3 In proving service it shall be sufficient proof, in the case of a notice sent by prepaid registered or recorded delivery post, that the envelope containing the same was properly stamped, addressed and placed in the post and, in the case of facsimile transmission that it was properly addressed and successfully transmitted.

13 PROPER LAW

- 13.1 This Agreement shall be governed by and interpreted in accordance with the laws of England.
- 13.2 The parties hereby submit to the exclusive jurisdiction of the High Court of Justice in London.

IN WITNESS whereof this Agreement has been entered into the day and year first above written.

SCHEDULE 1
INTELLECTUAL PROPERTY

Patents and Patent Applications				
Country	No.	Short Title	Date Filing	Date Publication
World	W0 03/004110 A1	Mechanical Handling Device for Golf Balls at a Driving Range	22/02/02	16/01/03

SCHEDULE 2
WARRANTIES

CLAUSE	HEADING
1.	The Vendor
2.	Assets
3.	Intellectual Property Rights
4.	Confidential Information
5.	Litigation
6.	Information
7.	Insolvency

INTERPRETATION

In addition to Clause 1 of this Agreement, in relation to the interpretation of this Schedule, where any of the statements made in this Schedule are given to the "best of the Vendor's knowledge, information and belief" or "so far as the Vendor is aware" or qualified by a similar expression or the Vendor has given a Warranty that it has "no reason to believe" that any particular circumstance will obtain or has obtained, the Vendor undertakes to the Purchaser that it has made all due and careful enquiries in relation to the subject matter of such Warranty for the purposes of this Agreement.

1 THE VENDOR

The Vendor has full power to enter into and perform this Agreement and this Agreement constitutes legally valid and binding obligations on the Vendor enforceable against the Vendor in accordance with its terms.

2 ASSETS

2.1 The Assets comprise all of the assets, materials, intellectual property, equipment and other property and undertaking used by the Vendor in connection with the Product, are in the sole legal and beneficial ownership of the Vendor and are being transferred by the Vendor with full title guarantee free from any lien, charge, hire or hire purchase agreement, or other encumbrance and no claim has been made by any person to be entitled thereto.

2.2 None of the Assets is subject to any option (whether to acquire or sell) or right of pre-emption.

2.3 All agreements, obligations, restrictions, covenants, conditions, statutes and regulations binding on the Vendor in relation to any Asset have been observed and performed.

2.4 The Assets comprise all of the assets required by the Purchaser to exploit, manufacture and develop the Product.

2.5 All Equipment and other assets are in good condition and are safe and efficient and no part thereof is out of date or in need of renewal or replacement or is surplus to the Vendor's requirements in relation to the manufacture of the Product.

3 INTELLECTUAL PROPERTY

3.1 The Vendor has taken all steps necessary or desirable for the protection of the Sale Intellectual Property and the Intellectual Property Rights.

3.2 The Vendor has the rights and information required to manufacture, process, sell and distribute the Product and exploit the Intellectual Property Rights as the Intellectual Property Rights are currently being used and the Product currently being manufactured.

3.3 The processes and software employed and the products, software and services used by the Vendor in relation to the Product do not infringe any United Kingdom or foreign

patents, registered designs, know-how, trade secrets or confidential information, copyrights, trade or service marks or similar intellectual property rights (whether registered or not) or infringe any right of privacy or intellectual property rights of any third party and no claims have been made by third parties and no applications for registration are pending which, if pursued or granted, might be material to this paragraph 3.3.

- 3.4 No item of equipment or related software used by the Vendor in the course of the development of the Product has been supplied under any limited licence and all such equipment and related software may be freely used or disposed of by the Vendor on such terms as it thinks fit.
- 3.5 The Intellectual Property Rights are (or, in the case of pending applications will be):
- 3.5.1 being transferred by the Vendor with full title guarantee;
 - 3.5.2 legally and beneficially vested in the Vendor;
 - 3.5.3 valid and enforceable and not subject to revocation;
 - 3.5.4 not being infringed by any person anywhere in the world;
 - 3.5.5 not subject to any licence, estoppel or authority in favour of any other person; and
 - 3.5.6 free from all charges, liens, encumbrances, equities, licences, use and other agreements, rights and claims whatsoever.
- 3.6 All pending applications comprised in the Intellectual Property Rights have been made by or on behalf of the Vendor.
- 3.7 The licences, agreements and arrangements relating to the Intellectual Property Rights (true and complete copies or details of which have been supplied to the Purchaser) are in full force and effect, no notice has been given on either side to terminate or amend them, no amendment has been made or accepted to their terms, the obligations of all parties thereto have been fully complied with and no disputes exist or are anticipated in respect of them.
- 3.8 Save for the Intellectual Property Rights, the Vendor in relation to the Product has no interest in any other patents, trade marks, registered designs or copyrights, and has not entered into any agreements for:
- 3.8.1 the licensing or use of any patents, trade marks, registered designs or copyrights; or
 - 3.8.2 the provision or acquisition of know-how or technical information or assistance; or
 - 3.8.3 the prohibition or restriction of the disclosure of any know-how or technical information,

nor does the Vendor require any other patent, trade or service mark, registered design, copyright or licence or other intellectual property rights for the Product and the development of the Product does not infringe any right of any kind vested in any other party or will or may give rise to payment by the Vendor of any royalty or of any sum in the nature of a royalty or to liability to pay compensation pursuant to s.40 Patents Act 1977 or any applicable legislation.

- 3.9 The Vendor in relation to the Product has not disclosed, or permitted to be disclosed, or undertaken or arranged to disclose, to any person any of its know-how, secrets, confidential information or lists of customers or suppliers other than the Purchaser.
- 3.10 There are no rights of third parties with respect to any Sale Intellectual Property or Intellectual Property Rights that would have an adverse effect on the Purchaser's ability to manufacture, sell, develop and exploit the Product.
- 3.11 The Vendor has not granted and is not obliged to grant any licence or other rights in relation the Intellectual Property Rights.
- 3.12 No act has been done or omitted to be done to entitle any authority or person to cancel, forfeit or modify any of the Intellectual Property Rights or to cause any of the Intellectual Property Rights to lapse and the Vendor is not aware of any circumstances likely to give rise to any of the foregoing.
- 3.13 All permissions or consents required for the assignment to the Purchaser of the Intellectual Property Rights have been obtained.
- 3.14 The Vendor is not aware of any extant copies of the Records save for those possession of which is to be transferred to the Purchaser pursuant to this Agreement.
- 3.15 The Vendor's shareholders, officers and employees and those consultants and contractors engaged to work on the Product have all assigned absolutely any and all rights which they may have in the Product to the Vendor and do not retain or hold any rights whatsoever in respect of the Product, the Intellectual Property Rights or the Sale Intellectual Property.

4 CONFIDENTIAL INFORMATION

- 4.1 The Vendor does not in relation to the Product use any processes nor is it engaged in any activities which involve the misuse of any confidential information belonging to any third party.
- 4.2 The Vendor is not aware of any actual or alleged misuse by any person of any of its Confidential Information.
- 4.3 The Vendor has not disclosed to any person any of its Confidential Information except where such disclosure was properly made in the normal course of the Business and was made subject to an agreement under which the recipient is obliged to maintain the confidentiality of such Confidentiality Information and is restrained from further disclosing or using it other than for the purposes for which it was disclosed by the Vendor.

- 4.4 Confidential Information used by the Vendor in relation to the Business is kept strictly confidential and the Vendor operates and fully complies with procedures which maintain such confidentiality and which confidentiality has not been breached.

5 LITIGATION

- 5.1 The Vendor is not in relation to the Product, the Intellectual Property, nor the Sale Intellectual Property engaged, whether as plaintiff or defendant or otherwise, in any litigation or criminal or arbitration proceedings or any proceedings before any tribunal and no such litigation, proceedings or prosecutions are pending or threatened (by or against the Vendor) and there are no facts or circumstances which might give rise thereto or to any proceedings in respect of which the Vendor is or may be liable to indemnify any party concerned therein.

6 INFORMATION

- 6.1 All information relating to the Assets which is known or would on reasonable enquiry be known to the Vendor and which is material to be known by the Purchaser for value of the Assets has been disclosed to the Purchaser in writing.
- 6.2 All information and documents relating to the Assets disclosed or supplied by the Vendor or any agent or advisors of the Vendor to the Purchaser, its solicitors, accountants or other agents or advisers during or with a view to the negotiations leading up the Agreement have been provided in good faith and are true and accurate to the best of the Warrantors belief, and all copy documents supplied by the Vendor to the Purchaser during such negotiations are true and complete copies of the originals, and there is no fact not disclosed which would render any such information or document inaccurate or misleading or which, if disclosed, might reasonably affect the willingness of the Purchaser to purchase the Assets for the consideration or otherwise on the terms specified in the Agreement.

7 INSOLVENCY

- 7.1 No receiver, administrative receiver or administrator has been appointed of the whole or any part of the assets or undertaking of the Vendor.
- 7.2 The Vendor is not in liquidation and no order, petition, application, proceeding, meeting or resolution has been made, presented, brought, called or passed for the purpose of appointing an administrator of, or winding up, the Vendor.
- 7.3 The Vendor is not insolvent and has not stopped payment of, or become unable to pay, its debts for the purposes of s.123 Insolvency Act 1986 and there has been no delay by the Vendor in the payment of any obligation due for payment.

SCHEDULE 3**THE COVENANTORS**

Name	Address
AIM Enginecring Limited	Melandra Road Brookfield Glossop Derbyshire SK13 6JE
Alan Foster	The Forge Off Fauvel Road Glossop Derbyshire
Philip Gager	15 Buxton Road Chinley High Peak
David Styles	32 Clifford Road Poynton Cheshire SK12 1HY
Matthew McGowan	5 North Road Glossop Derbyshire
Simon Adams	14 Riverbank Way Shirebrook Park Glossop Derbyshire
David Wyatt	22 Simons Close Simmondley Glossop Derbyshire

SIGNED by)
Director, duly authorised)
on behalf of EASTYEE LIMITED)

SIGNED by)
Director, duly authorised)
on behalf of SNUK LIMITED)



SIGNED by)
Director, duly authorised)
on behalf of AIM ENGINEERING LIMITED)

SIGNED BY PHILIP GAGER)

SIGNED BY ALAN FOSTER)

SIGNED BY DAVID STYLES)

SIGNED BY MATTHEW MCGOWAN)

SIGNED BY DAVID WYATT)

SIGNED BY SIMON ADAMS)