

08-30-2000

FORM PTO-1594

RE



U.S. Department of Commerce

(Rev. 6-93)

7/31/00

101446926

Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original document or copy thereof.

1. Name of conveying party(ies):

SNAKE EYES GOLF CLUBS, INC.  
(Formerly GOLF-TEC HOLDINGS, INC.)

Individual(s) \_\_\_\_\_ Association \_\_\_\_\_  
General Partnership \_\_\_\_\_ Limited Partnership \_\_\_\_\_  
 Corporation-State (Delaware) \_\_\_\_\_  
Other 0 \_\_\_\_\_

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

3. Nature of conveyance:

Assignment \_\_\_\_\_ Merger \_\_\_\_\_  
Security Agreement \_\_\_\_\_ Change of Name \_\_\_\_\_  
Other Asset Purchase Agreement \_\_\_\_\_

Execution Date: 11/19/98

Effective Date: 11/19/98

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

Name: GOLFSMITH INTERNATIONAL, INC.

Internal Address:

Street Address: 11000 North IH-35

City: Austin State: TX Zip: 78753

individual(s) citizenship \_\_\_\_\_  
Association \_\_\_\_\_  
General Partnership \_\_\_\_\_  
Limited Partnership \_\_\_\_\_  
 Corporation-State Delaware \_\_\_\_\_  
Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from Assignment)  
Additional name(s) & address(es) attached?  Yes  No

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

A. Trademark Application No.(s):

B. Trademark Registration No.(s): 1,889,946

Additional numbers attached?  Yes  No

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

Name: William D. Raman, Esq.

Internal Address: Thompson & Knight L.L.P.

Street Address: 1200 San Jacinto Center, 98 San Jacinto Blvd.

City: Austin State: Texas Zip: 78701-4081

6. Total number of applications and registrations involved: 1

7. Total fee (37 C.F.R. 3.41) \$ 40.00  
[ \$40 for 1st...\$25 each additional]

Enclosed  
 Authorized to be charged to deposit account if check insufficient or inadvertently omitted

8. Deposit account number: 20-0821/21799.99101/WDR  
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

William D. Raman  
Name of Person Signing

*William D. Raman*  
Signature

7/26/00  
Date

Total number of pages including cover sheet, attachments and documents: 9

Mail documents to be recorded with required cover sheet information to:

BOX ASSIGNMENT  
Commissioner of Patents and Trademarks  
Washington, D.C. 20231

08/29/2000 MTHA11 00000250 1889946

01 FC:481

40.00 DP

CERTIFICATE OF MAILING  
37 C.F.R. 1.8

I hereby certify that this correspondence is being deposited with the U.S. Postal Service with sufficient postage as First Class Mail in an envelope addressed to: Box Assignment, Commissioner of Patents and Trademarks, Washington, D.C. 20231, on the date below:

7/26/00  
Date

*William D. Raman*  
William D. Raman

139714-1

TRADEMARK  
REEL: 002126 FRAME: 0343

# ASSET PURCHASE AGREEMENT

THIS AGREEMENT, made as of November 19, 1998, between GOLFSMITH INTERNATIONAL, INC., a Delaware corporation, or one or more of its affiliates (the "Purchaser"), and SNAKE EYES GOLF CLUBS, INC., a Delaware corporation (the "Company").

## FACTUAL BACKGROUND

A. The Company, a manufacturer of golf clubs, intends to liquidate its assets under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court for the Middle District of Florida, Jacksonville Division ("Bankruptcy Court") and proposes a plan of liquidation (the "Plan of Liquidation"), pursuant to which the Company will sell its assets and business, free and clear of all liens and encumbrances, and distribute the proceeds to the creditors, pursuant to a modified auction supervised by the Bankruptcy Court.

B. The Purchaser desires to purchase the Assets (as defined below) and Business (as defined below) of the Company and has agreed to enter into this Agreement to induce the Company to proceed with the Chapter 11 bankruptcy liquidation.

C. The Purchaser understands that this Agreement provides the starting point for the Bankruptcy Court "auction," but this Agreement is subject to no other purchaser making a higher bid at the auction.

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Assets to be Transferred. Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined) Company shall sell, transfer, convey, assign, and deliver to Purchaser, and Purchaser shall purchase and accept from Company all of the business, rights, claims and assets (of every kind, nature, character and description, whether tangible or intangible, whether accrued, contingent or otherwise, and wherever situated) of the Company, including, without limitation, all of the Company's equipment, inventory, and accounts receivable as it exists on the Closing Date, including the assets listed on Schedule 1-A hereto, subject to sale of Inventory and collection of Accounts Receivable prior to the Closing Date (the "Assets"). The Assets shall not include the Excluded Assets listed on Schedule 1-B hereto ("Excluded Assets"). As used herein, "Business" shall mean the business of manufacturing, distributing and selling "Snake Eyes" golf clubs and all of the Company's related business.

2. Assumption of Liabilities. As used in this Agreement, the term "Liability" shall mean and include any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility, fixed or unfixed, known or unknown, asserted or unasserted, liquidated or unliquidated, secured or unsecured. Subject to the terms and conditions of this Agreement, Purchaser hereby assumes and agrees to perform and discharge only the contracts and liabilities of Company listed on Schedule 2-A

(collectively the "Assumed Liabilities"). Except as and only to the extent specifically set forth on Schedule 2-A, Purchaser is not assuming any Liabilities of Company and all such Liabilities shall be and remain the responsibility of Company. Except for the Purchaser's assumption of the "Assumed Liabilities," Purchaser shall acquire the Assets free and clear of all liens and encumbrances.

3. Purchase Price. The purchase price for the Assets ("Purchase Price") shall be One Million, Seven Hundred Twenty-Five Thousand Dollars (\$1,725,000.00), subject to the following adjustments:

(a) in the event that the value (at cost) of the inventory of the Company as of the Closing Date shall be less than \$200,000 ("Inventory Base Value"), the Purchase Price shall be reduced dollar for dollar for every dollar in value below the Inventory Base Value.

(b) in the event that the value (net of reasonable reserves) of the accounts receivable of the Company as of the Closing Date shall be less than \$100,000 ("Accounts Receivable Base Value"), the Purchase Price shall be reduced dollar for dollar for every dollar in value below the Accounts Receivable Base Value.

As of the Closing Date, the parties, acting reasonably and in good faith, shall agree upon the value of the inventory and accounts receivable. In the event the parties cannot agree, the parties shall submit the issue to the Bankruptcy Court and the Closing shall nonetheless occur, with the disputed amount placed in an interest-bearing escrow account pending the Bankruptcy Court decision.

4. Method of Payment. The Purchase Price less the deposit shall be paid by wire transfer to an account(s) designated by Company at the Closing (as hereinafter defined).

5. Closing. The closing ("Closing") shall occur at such time and place as the parties mutually agree, but in no event later than three (3) business days after entry of a Final Order by the Bankruptcy Court approving the performance of this Agreement, and shall be effective as of the date of the Final Order or such other date as the parties mutually agree upon ("Closing Date").

6. Condition of Assets. The Assets are to be transferred to the Purchaser "as-is-where-is", with no representations or warranties, express or implied, except that the Assets are free and clear of any liens or encumbrances, except Assumed Liabilities.

7. Conditions Precedent. The obligations of the parties hereto shall be subject to the following conditions precedent: (a) that from the date hereof until the Closing Date, there has been no material destruction or impairment of the Assets (except sale of inventory and collection of accounts receivable in the ordinary course of business); (b) within ninety (90) days from the date hereof, the Bankruptcy Court shall confirm the Company's Plan of Liquidation or otherwise consent to and enter a Final Order authorizing the transfer of the Assets, free and clear of any liens or encumbrances, except Assumed Liabilities, to the

Purchaser; (c) no higher cash bid is made and accepted for the Assets pursuant to the bankruptcy auction conducted pursuant to the Company's Plan of Liquidation and (d) that the Bankruptcy Court shall have approved the settlement between the Company and Mr. Vadersen regarding certain alleged trademark and patent infringement claimed by Mr. Vadersen and referenced in the disclosure statement, and, as of Closing, such settlement order shall not be the subject of any stay, motion for rehearing, or notice of appeal. The parties agree to use all reasonable efforts to satisfy the conditions precedent to the obligations herein and to consummate the transactions contemplated herein. However, without limiting the foregoing, the Purchaser acknowledges that the Company shall continue through the auction date to solicit competing offers for the Assets and engage in negotiation discussions with third parties regarding the sale of the Assets and waives any potential objection to such actions by the Company.

8. Binder Deposit. Upon request of the Company, the Purchaser shall provide the Company with a cashier's check in the amount of One Hundred Forty-Two Thousand Five Hundred Dollars (\$142,500.00) made payable to the Foley & Lardner escrow account for the purpose of evidencing Purchaser's present ability to consummate the transactions contemplated herein.

9. Further Documents and Instruments. At the request of either party, whether at or after the Closing and without further consideration, the parties agree to execute and deliver such bill of sale, instruments of conveyance, transfer and assignment or other documents and take such further action as may reasonably be requested to further accomplish and document the transfer of the Assets and the assumption of the Assumed Liabilities provided for in this Agreement and to accomplish the other purposes of this Agreement.

10. Miscellaneous. This Agreement shall be construed in accordance with the laws of the State of Florida, without giving effect to the choice of law provisions thereof. All undertakings in this Agreement shall survive the Closing. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and supersedes all prior agreements between them. No changes to this Agreement shall be made unless in writing and properly executed by the party to be bound thereby. Any dispute arising out of or relating to this Agreement or the transactions contemplated herein shall be subject to the exclusive jurisdiction of the Bankruptcy Court.

11. Change of Name. As soon as is practicable following the Closing, Company shall change or cause to be changed the name of Company to a name that does not include the name "Snake Eyes", any Snake Eyes logo, or any other name or derivative of a name included in the Intellectual Property. In order to effect this change, Company shall, and Company shall cause all of its affiliates to (i) replace or remove all signage at all owned, leased or subleased premises by such entity within thirty (30) days after the Closing, and (ii) discontinue use of (or affix stickers or stamps indicating the new name of such entity on) all business cards, invoices, letterhead, catalogs and other materials and business documents as promptly as possible and in any case within thirty (30) days after the Closing Date. Company shall also instruct all of its affiliates to comply with the provisions of this Section 11.

12. Access to Premises. Purchaser shall have reasonable access to Company's premises and reasonable use of Company's equipment located therein for five (5) business days following the Closing Date for the sole and exclusive purpose of taking possession of and removing from Company's premises (at Purchaser's sole cost and expense) all inventory, acquired FF&E, and all books, records and files acquired in accordance with the terms of this Agreement.

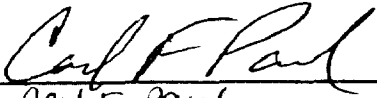
IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.


PURCHASER

COMPANY

GOLFSMITH INTERNATIONAL, INC.

SNAKE EYES GOLF CLUBS, INC.

By:   
Name: Carl F. Paul  
Title: President

By:   
Name: HAROLD G. HUTCHINS  
Title: EXECUTIVE OFFICER

**SCHEDULE 1-A  
ASSETS**

1. Debtor's Bankruptcy Schedule B.15 (Accounts Receivable), B.26 (Equipment and Furnishings) and B.28 (Inventory) are incorporated herein by reference.
2. Snake Eyes trademark and logo as registered with the United States Patent and Trademark Office as trademark number 1,889,946.
3. All rights to patent number 5,511,780 as registered with the United States Patent and Trademark Office.
4. All internet domain names, including, but not limited to, "SNAKEEYESGOLF.com", and all websites and web pages and the computer source code therefor, including without limitation all right, title and interest in the trade secrets, copyrights and trademarks therein (all of such internet domain names, websites, web pages, computer source code and copyrights therein being collectively referred to herein as the "Website Materials").
5. All of (a) the Company's rights to license, design, manufacture, and sell soft goods (including without limitation shirts, full sweaters, cardigans, hats, visors, pants, socks, outerwear, windbreakers, windshirts, and rainsuits) bearing the Snake Eyes trademark and/or logo, all prior goods contracts being rejected, and (b) the Company's right to receive any post-rejection royalties or other payments which might otherwise be due to the Company by virtue of any rejected soft goods contract. Provided, nothing in this paragraph shall prejudice the Purchaser's right, and Purchaser shall receive and have the right, to terminate and to seek a judicial determination, in its own name and right or in the name and right of the Company, to the effect that any rejected soft goods contract is, has been, or should be terminated according to its terms.

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**SCHEDULE 1-B  
EXCLUDED ASSETS**

1. The corporate franchise, minute books and corporate records (provided copies shall be available to Purchaser on a reasonable basis).
2. All tax refunds and all insurance refunds.
3. All recoveries for preferences, fraudulent conveyances and similar claims and causes of action relating to the bankruptcy.
4. All other claims and causes of action, except claims, counterclaims and defenses relating to Mr. Vadersen's alleged claim of trademark and patent infringement with respect to the Company's products.
5. All cash on hand at Closing.
6. The Purchase Price.
7. Inventory and work in process not yet delivered to the Company and in the possession or control of manufacturers and vendors.

**SCHEDULE 2-A  
ASSUMED LIABILITIES**

No assumed liabilities at the present time. But Purchaser reserves the right, prior to Bankruptcy Court Auction, to amend this schedule to assume certain leases and executory contracts after Purchaser's due diligence investigation.



**SCHEDULE 2-B**

**AGREED FAIR MARKET VALUE OF CERTAIN  
INVENTORY AND RECEIVABLES**

Per Book Value