

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Sports Therapy Services, Inc.		01/01/2005	CORPORATION: VIRGINIA
RECEIVING PARTY DATA			
Name:	STS, Inc.		
Street Address:	10312 Hickory Creek Ct.		
City:	Great Falls		
State/Country:	VIRGINIA		
Postal Code:	22066		
Entity Type:	CORPORATION: VIRGINIA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	2329823	STS	
Registration Number:	2351686	STS YOUR HEALTH CLUB ALTERNATIVE	
CORRESPONDENCE DATA			
Fax Number:	(703)816-4100		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	703-816-4000		
Email:	nixonptomail@nixonvan.com		
Correspondent Name:	Nixon & Vanderhye P.C.		
Address Line 1:	901 N. Glebe Road, 11th Floor		
Address Line 4:	Arlington, VIRGINIA 22203-1808		
ATTORNEY DOCKET NUMBER:	4675-2		
NAME OF SUBMITTER:	Sheryl Scharmach		
Signature:	/Sheryl Scharmach/		
Date:	02/13/2006		

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Total Attachments: 8

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Agreement

For the Purchase of the Assets of

Sports Therapy Services, Inc.

By

STS, Inc.

Agreement made *1st day of January, 2005* between Sports Therapy Services, Inc., a corporation organized under the laws of the State of Virginia, with its principal office located at 6848 Elm St., McLean, Fairfax County, Virginia, here referred to as seller, and STS, Inc. a corporation organized under the laws of the State of Virginia, with its principal office located at 10312 Hickory Creek Ct., Great Falls, Fairfax County, Virginia, here referred to as buyer.

Subject to approval by seller's stockholders of the terms and conditions of this agreement and the nature and amount of the consideration to be received by seller hereunder, the parties agree as follows:

SECTION ONE.

PROMISE TO BUY AND SELL

Seller agrees to sell and buyer agrees to purchase all the assets and property of seller, including its good will in the items, as written in the **Sales Agreement Supplement**, attached hereto and made a part hereof as **Exhibit 1** for the consideration, under the terms and conditions, and subject to the warranties and representations set forth in this agreement.

SECTION TWO.

CLOSING; DOCUMENTS DELIVERABLE

The closing of the sale shall take place on *January 1st, at 12:30 p.m.* at *6512 Deidre Terrace, McLean, Fairfax County, Virginia*. At the closing, seller shall deliver to buyer such deeds, bills of sale, assignments, and other instruments of transfer as may be necessary to vest in buyer good and marketable title to the property and assets sold under this agreement. At closing, buyer shall pay seller the remainder of the purchase price as specified in this attached **Sales Agreement Supplement**. All documents and papers to which the parties are entitled under this agreement, unless otherwise specified in this agreement, shall also be delivered at the closing.

SECTION THREE.

CONSIDERATION

Buyer, in consideration of the covenants, conditions, and representations of seller, recited in this agreement, shall pay to seller, on closing, the balance remaining of \$95,000 and 5% of the shares of STS, Inc. as the agreed purchase price, subject to and modified by the provisions of the attached **Sales Agreement Supplement**. Assets purchased by and transferred to STS, Inc. shall be valued as follows: equipment shall be valued at the current depreciated book value, supplies shall be valued at replacement cost, and all excess payment shall be valued as goodwill. The purchase price shall be allocated as follows: \$95,000 in cash to Sports Therapy Services, Inc and 500 shares of STS, Inc which is 5% of 10,000 total outstanding shares.

SECTION FOUR.

WARRANTIES AND COVENANTS OF SELLER

Seller agrees, represents, and warrants as follows:

a) Seller is duly incorporated and authorized to do business under the laws of the State of Virginia.

b) The execution of this agreement has been duly authorized by seller's Board of Directors.

c) Gillian Rowan, President of Sports Therapy Services, Inc., agrees to remain as an Employee of STS, Inc. as the Director of Strategic and Corporate Development. The **Employment Agreement** attached hereto as **Exhibit 5** and made part hereof.

d) The balance sheets and profit and loss statements of seller, attached to this agreement as **Exhibit 2** and made part hereof, fully and correctly reflect the financial condition, assets and liabilities, and operation of seller as of the dates stated in such documents.

e) Seller shall provide a list of services sold for future delivery as of the date of this agreement and advertising paid as specified in the **Sales Agreement Supplement** which shall be attached hereto as **Exhibit 3** and made a part hereof. Seller agrees to decrease the cash due at closing to account for such services sold and Buyer promise to deliver such services. Buyer agrees to increase the cash due at closing by the amount spent on advertising intended to increase revenue to the company after the date of the sale.

f) Seller agrees to terminate all loan and credit accounts and satisfy all conditions for the closure of loans and credits associated with Seller. Seller agrees to indemnify Buyer against liability from loans or extensions of credit incurred prior to the closing of the sale. After the date of closing, Seller may retain or open lines of credit or loans provided the issuer of such credit or loan and STS, Inc. is informed in writing that STS,

Inc. is not owned by or affiliated with Sports Therapy Services, Inc. and STS, Inc. is not responsible for contracts with or debts incurred by Sports Therapy Services, Inc.

g) Seller has good and marketable title to all assets and property sold hereunder, except as otherwise stated in the exhibits attached hereto and except for property disposed of or encumbered in the ordinary course of business. All tangible property sold hereunder is in good condition and repair and conforms to all applicable zoning, building, safety, and other regulations.

h) Attached hereto as **Exhibit 4**, and made part thereof, is a list of insurance policies in effect with respect to seller's property and business as of the date of this agreement. Seller agrees to continue this insurance, or insurance with similar coverage, until the closing date.

i) Seller agrees to use its best efforts to obtain the necessary consents for the assignment or transfer of any contract, lease, license, or permit to be assigned or transferred hereunder and to perform its duties under such contracts, leases, licenses, and permits without default until the closing date.

j) Seller agrees to obtain a clearance certificate from Virginia Employment Commission for all unemployment insurance contributions and to obtain clearances with respect to any other taxes and liens affecting the assets or properties sold hereunder.

k) Upon closing, Seller agrees to disclose to buyer all trade secrets, customer lists, and technical information held or controlled by seller and relating to the business sold hereunder. Buyer shall have the right to use the name of seller, and seller agrees not to use, or authorize others to use, its name or a similar name as specified in the **Sales Agreement Supplement, Exhibit 1, and Employment Agreement, attached as Exhibit 5.**

l) Until the closing date of this agreement, seller shall not, without the written consent of buyer, dispose of or encumber any of the assets or property to be sold hereunder, with the exception of any transactions occurring in the ordinary course of seller's business. Seller shall use its best efforts to preserve its business and good will. Seller further agrees to permit buyer full access to its property and records any time prior to the closing date during mutually agreed hours so as not to disrupt the normal flow of business and to supply all information concerning its property and affairs as buyer may reasonably demand.

SECTION FIVE.

RESOLUTION OF CLAIMS; INDEMNIFICATION OF PARTIES

In case of claim of breach of contract by either party, the party so claiming shall notify the other party in writing, indicating the alleged breach and the amount of damages claimed therefore. In case of dispute as to the existence of a breach, or the amount of damages therefore, the parties shall submit the dispute to the following arbitration board: The American Arbitration Association. The decision of the arbitration board shall be final

where unanimous, but either party dissatisfied with a decision of the arbitration board which is less than final shall have customary recourse to the judicial system of the State of Virginia.

Except as otherwise expressly provided in this agreement, seller shall indemnify buyer against any liability connected with the assets or business sold hereunder accruing as a result of acts or omissions occurring before the closing date, and buyer shall indemnify seller against any such liability accruing as a result of acts or omissions occurring after the closing date. Each party to this agreement shall cooperate with the other party in defending claims for which the other party is or may be liable under this provision by giving notice to the other party of the assertion or existence of any such claim and by furnishing such documents and information as may be useful in defense of such claims.

SECTION SIX.

TRANSFER OF TITLE; RISK OF LOSS

Title to the assets and property sold hereunder shall pass to buyer on the closing date on delivery to it of the proper instruments of transfer. If at any time *thereafter* any of the tangible property sold hereunder shall have been lost or damaged, except for damage or loss through use and wear in the ordinary course of business, by any cause or event beyond the reasonable power and control of seller, buyer shall be entitled to collect all insurance proceeds collectible by reason of such loss or damage or, if the amount of the loss or damage exceeds fifty percent (50%) of the value of that property, buyer shall have the right to elect to complete the sale and collect all insurance proceeds or to terminate this agreement in lieu of any other right or remedy. If buyer becomes entitled to collect insurance under this provision, the purchase price of lost or damaged assets covered by insurance shall not be reduced.

SECTION SEVEN.

IMPOSSIBILITY OF PERFORMANCE

If, except as otherwise provided in this agreement, either party shall be prevented from completing the sale for any cause beyond its reasonable power and control, the other party may elect to accept partial performance or, in lieu of any other remedy, elect to terminate this agreement.

SECTION EIGHT.

SALES AND USE TAXES

Any sales or use tax payable by reason of the sale of any of the assets under this agreement shall be paid by buyer, and such payment shall not be construed as part of the purchase price.

SECTION NINE.

INVENTORY OF GOODS TO BE SOLD

An inventory of all stock in trade, supplies, fixtures, furnishings, and equipment shall be taken by Seller and Buyer on January 1st, 2005. The inventory of seller's stock in trade shall set forth the aggregate value for which the items are to be sold under this agreement based on seller's actual cost for each item.

SECTION TEN.

DISPOSITION OF DOCUMENTS AND RECORDS

Seller shall retain title to all its documents and records, except those agreed to be transferred under this agreement in the **Sales Agreement Supplement**. Any such documents or records that buyer may reasonably require after the closing date for use in connection with the assets or business sold hereunder shall be delivered or made available to buyer. Each party shall forward to the other party all correspondence, documents, or payments relating to the assets or business sold hereunder to which the other party is entitled under the terms of this agreement. Before destroying any records or papers connected with the assets or business sold hereunder, each party shall first offer them to the other party.

SECTION ELEVEN.

COSTS

Buyer shall bear the cost of title insurance premiums and record costs. All other costs incidental to the sale hereunder shall be borne by the parties in accordance with prevailing custom.

SECTION TWELVE.

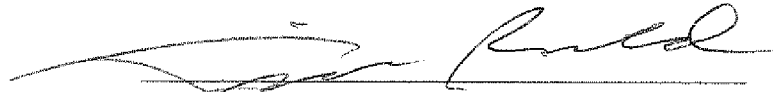
INTERPRETATION OF AGREEMENT

12.1. There are no agreements, warranties, or representations, express or implied, except those expressly set forth in this agreement. All agreements, representations, and warranties contained in this agreement shall apply as of the closing date and shall survive the closing of this agreement.

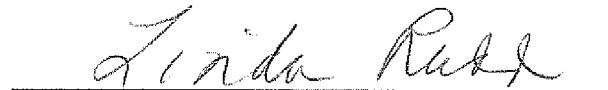
12.2. This agreement shall not be assignable by buyer without the written consent of seller. Subject to this provision, this agreement shall be binding on and benefit the successors and assigns of the parties.

12.3. This agreement is to be governed by and construed under the laws of the State of Virginia

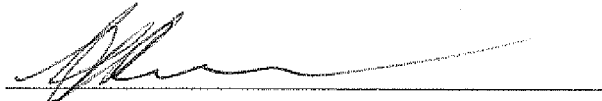
In witness whereof the parties have executed this agreement on the day and year first above written.



Jim Rudd, President



Linda Rudd Vice-President



Gillian Rowan

[Signatures]

Exhibit 1

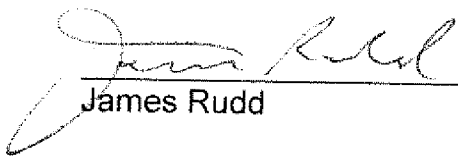
Sales Agreement Supplement

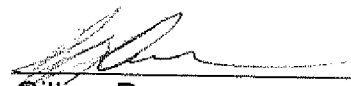
The intended date of closing will on or about Jan 1, 2005 for accounting purposes with the actual accounting reconciliation and signing to take place with 7 days before or after 1/1/2005.

STS, Inc. agrees to buy the assets of Sports Therapy Services, Inc for \$95,000.00 and 5% of the issued stock of STS, Inc., with the following considerations:

1. The transfer of all the physical assets used in the normal course of business to include but not limited to exercise equipment, office equipment and furniture, existing office supplies, and entertainment equipment. These will be valued at their depreciated book value.
2. Transfer of intangible assets to include but not limited to current and past client lists and records, trademarks and logos, and goodwill.
3. Upon mutual agreement on the terms and conditions of sale, STS, Inc. will pay Sports Therapy Services, Inc a cash sum of \$15,000. In return, STS, Inc. shall have the right to contact employees, customers, suppliers, contractors, and other related people for the specific purpose of creating an efficient transition of management.
4. Due to the continuing nature of the business with advance sales and advertising there will be a reconciliation of the sales and advertising so as to provide STS, Inc. with the monies collected to perform training after the date of closing and to provide Sports Therapy Services, Inc with reimbursement for advertising which will benefit STS, Inc. Both these items have been previously verbally agreed.
 - a. On or about the day of signing, Sports Therapy Services, Inc will account for all training sold in 2004 but not yet performed. The proceeds of those sales will transfer to STS, Inc. as a reduction in the cash due at closing.
 - b. At the same time, all advertising targeted to clients after the closing date will be accounted for and added to the cash due at closing. This includes but not limited to the recent reacquisition of the STSfit.com web domain (approximately \$1688) and the mailing performed by Modern Postcard (approximately \$3200).

- c. In addition, any items prepaid by Sports Therapy Services, Inc. which directly benefit STS, Inc., e.g. January rent, towel service, trash pickup, etc., shall be credited to Sports Therapy Services, Inc. and added to the cash due at closing.
- d. There are outstanding training commitments from 2003 and earlier, these commitments will be dealt with individually depending upon the situation. It is generally advantageous, for the purpose of obtaining a new client, for STS, Inc. to honor a small commitment, e.g. 5 or fewer sessions, contracted and sold by Sports Therapy Services, Inc. Sports Therapy Services, Inc. agrees to assume responsibility for all 2003 and earlier client commitments that Sports Therapy Services, Inc. has incurred in excess of 5 sessions which are requested to be honored by clients. This paragraph should be interpreted to mean that old customer contracts will be honored on a case by case cooperative agreement.
5. Sports Therapy Services, Inc. will maintain the primary lease on the building at 6848 Elm St., the current location of Sports Therapy Services, Inc. and future location of STS, Inc. STS, Inc. shall sublease the current space occupied by Sports Therapy Services, Inc. at the current over-lease rate, \$3100 per month with a 5% annual increase effective 1/1/05. That space includes all the space at the 6848 Elm St., McLean, VA address except the two rooms under sublease to a third party. Should this space become available, STS, Inc. shall have the right of first refusal to occupy this space and shall pay the current over-lease rate, \$1100 per month with the 5% annual increase effective 1/1/05. The sublease agreement is attached.
6. Gillian Rowan, President of Sports Therapy Services, Inc., agrees to accept a seat on the Board of Directors of STS, Inc. and accept employment as Director of Strategic and Corporate Development as stated in the attached employment agreement. STS, Inc. agrees to that employment agreement.


James Rudd
12/24/04
Date
Linda Rudd
12/24/04
Date


Gillian Rowan
12/24/04
Date