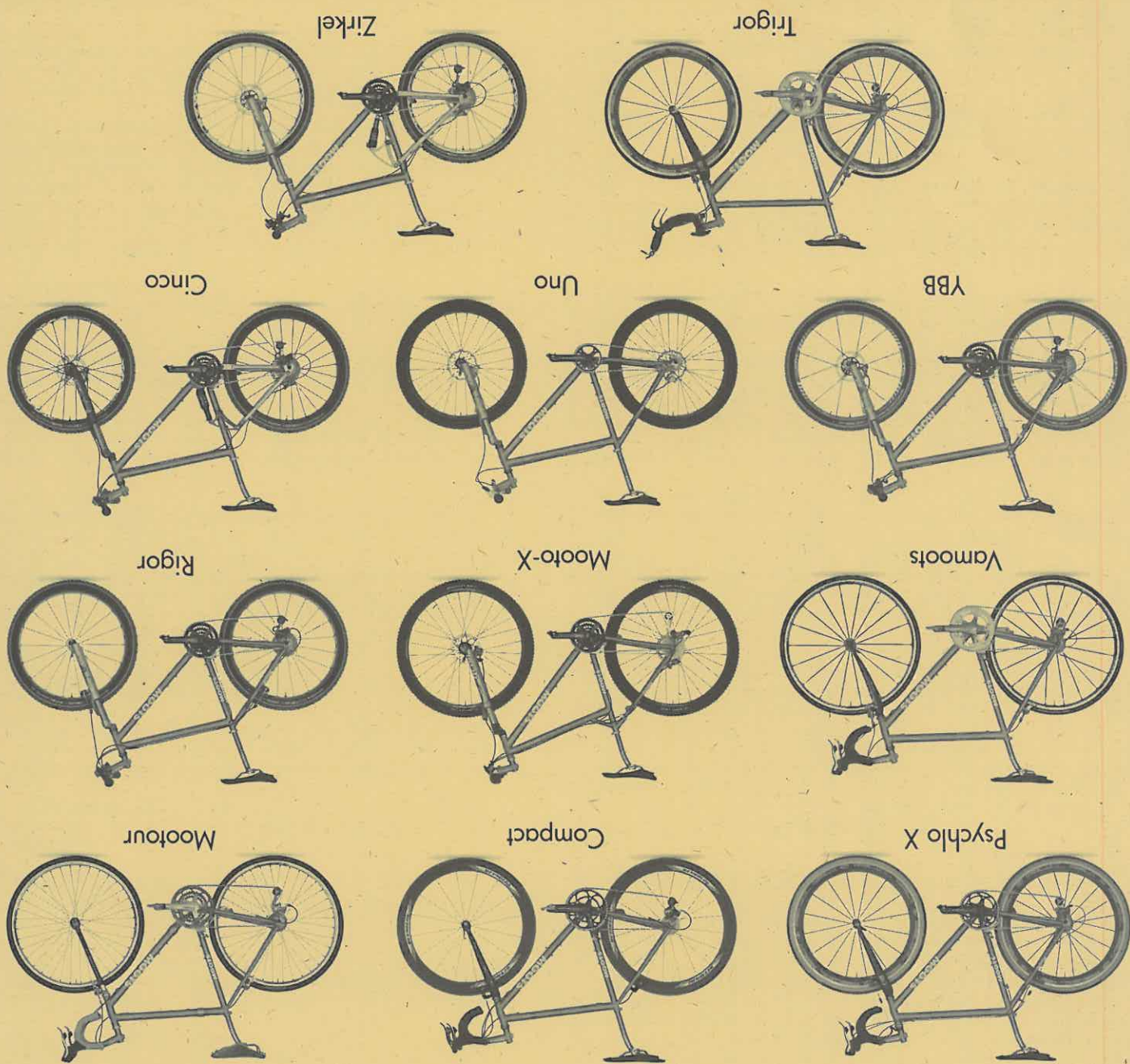




2006 Dealer's Handbook



Moots Cycles
Steamboat Springs, Colorado

Moots Dealer Program

Thank you for your interest in becoming a Moots Cycles authorized dealer. Moots Cycles has been a leader and innovator in the industry for over twenty three years with a commitment to excellence in quality and design. Here at Moots Cycles, we are interested in developing a long-term relationship with our dealers, and, in order to do so we have developed the following dealership program.

REQUIREMENTS:

Initial preseason order of 2 frames of any model.

Payment will be by COD or valid credit card, unless otherwise specified by Moots Cycles. First time purchasers may be required to pay with a certified check depending on credit status. With an established satisfactory credit history a Moots dealer may become eligible for 30-day terms. All 30-day account payments must be made with a company check.

Moots Cycles has the right to terminate a dealer relationship if Moots Cycles is misrepresented or if said dealer's performance quota is not on par with what Moots Cycles considers applicable for the dealer's area

ALL DEALERS MUST FILL OUT AND SIGN A GUARANTEE AND A CREDIT APPLICATION.

BENEFITS:

A discounted price structure will be enacted based on the following purchases from Moots Cycles.

This discount pricing will be on products produced and purchased from Moots Cycles and will be initiated at the new model year (January 2, 2006). Current discounts will continue until Jan. 1, 2007.

\$10,000 - 2% discount on all new orders
\$20,000 - 4% discount on all new orders
\$50,000 - 5% discount on all new orders

Moots Cycles will honor a 10% below wholesale pricing for dealer employees. The number of frames allowed will be based on the number of wholesale frames purchased. For every two bikes bought by the shop, the shop is eligible for one employee bike for a maximum of three bikes. These frames will not be included in the initial purchase plan and Moots Cycles requires proof of employment.

Moots Cycles softgoods (t-shirts, hats, banners, team race clothing, shop aprons, etc.) ordered in combinations of 20 or more will be discounted at 5% below wholesale pricing.

Moots Cycles will declare dealer as an "authorized dealer" in a dealer described area. Moots Cycles has the right to determine, with the dealer, this said area.

Moots Cycles will aid in press releases, "authorized dealer" stickers, catalogs, mailers, etc.

Moots Cycles will provide a co-op-advertising program for those dealers that exceed \$10,000 in sales. We will provide 1.5% in credit on all sales after dealer reaches the \$10,000 mark. All advertising must be approved by Moots Cycles but can include festival promotion as well as traditional advertising methods (newspaper, radio, magazines, and TV). We will also provide a free Moots banner to all dealers that exceed \$10,000 in sales.

Moots Cycles will list all authorized dealers on the Moots web page and will also provide a link to all dealer websites, provided the dealer's website meets Moots Cycles website criteria in Moots Cycles E-Commerce policies rules.

PRICING POLICY:

It is Moots Cycles policy that dealers maintain suggested retail prices as listed on the dealer price list. Any dealer not maintaining suggested retail prices is subject to termination of authorized dealer status.

MINIMUMS:

Dealers with annual purchases of less than \$5000 may lose authorized dealer status at the discretion of Moots Cycles.

PAST DUE ACCOUNTS:

In the event of returned checks there will be a service charge of \$20 and we will charge 1.5% per month interest until cleared payments are received. On all accounts set up as net 30, a 1.5% interest rate per month will be charged to all delinquent account. No discounts will be awarded for any past due accounts.

MOOTS CYCLES MAIL ORDER ADVERTISING POLICIES

It is our present policy at Moots Cycles to disallow any mail order advertising of our products. This only applies to those ads that promote mail order and not those ads that invite consumers to come into the bike shop to see the product. This does not include catalogs as long as suggested retail is advertised. We have instigated this policy to further aid the consumer in getting the best service they can get when buying a Moots Product and to keep an even playing field for all of our dealers. These mail order ads have a tendency to be associated with discounting and we do not feel this type of association is in the best interest of Moots Cycles or our dealers.

If you have any question please contact Moots to discuss this matter further.

MOOTS CYCLES E-COMMERCE PRICING POLICIES

The advent of e-commerce in our industry has prompted Moots Cycles to create a policy for sale of our products over the web. Moots has always sold through the local bike shop because we feel you are the ones capable of giving our customers the friendly expertise needed to make their purchase of a Moots bicycle a satisfactory one. We also know you will be there to continue to help the customer after the sale. We firmly believe this is the right way to sell a Moots bicycle and wish to continue to do business in this manner.

We also recognize that e-commerce is here to stay and that many of our dealers have websites that sell our products with the rest of their inventory. Internet sales can be a good way to reach customers that cannot reach you but we also realize that the Internet reaches into all of our dealer's areas. With this in mind, we have created these policies to make sure we start with a level playing field for all.

No Moots product will be advertised on the web at less than the suggested retail unless the items are discontinued products. Moots Cycles is the only entity that will decide what items are discontinued items. No Moots frame will be sold for less than retail over the Internet. If Moots becomes aware of Internet price-cutting, we have the right to terminate that dealer from carrying Moots products.

All Moots Dealers must have a storefront and the capabilities to repair and build bicycles. In other words, all Moots dealers must be a full service bike shop.

Any use of Moots' logos or images for websites should be pre-approved by Moots Cycles. We welcome any mention of Moots on your website and will be happy to help you with logos and other images upon request if the website does not misrepresent Moots Cycles.

To protect our overseas distributors, we do not allow web sales in those countries where we have official distributors. All current distributors are listed on our web site.

These are very simple rules but we will need your cooperation to make sure everyone follows them. If you feel someone is not following these rules, please make us aware of the problem. We have tried to keep our products at the highest level of quality, performance and image throughout the industry.

We feel by discounting our products, we discount our image and this is not what we are after. If you have any questions please feel free to call us at 970-879-1676.

Moots in the Media

This past year Moots Cycles has enjoyed a sampling of media exposure in magazines, newspapers and on the web, including:

Roadie International Inaugural Issue/Winter 2004
Vamoots review by Brett Darrington

Adventure Cyclist Sept/Oct 2004
Moots Cycles Hard Riding on the Great Divide in Colorado company mention by Michael McCoy

International Tribune Herald November 2004
Moots Cycles Bicycle Test Pilot Client by Peter S. Green

The New York Times November 2004
Rigor Mootis Bicycle Fishing by William D Trego

San Francisco Chronicle Magazine November 2004
Psychlo-X image by Michael Maloney

velonews.com December 2004
Psychlo-X/U.S. Cyclo-Cross National Championships by Matt Paccocha

The Ride: East Coast Bike Culture December 2004
Tailgator Rack & Bag Holiday Gift Guide

Easy Chair Magazine Winter 2004
Moots Cycles Business Profile

VeloNews Buyer's Guide 2005
Vamoots Compact SL & Vamoots SL reviews by Lennard Zinn

Bicycle Retailer & Industry News February 2005
Moots Cycles Feb 5/Five Companies to Watch

Hooked on the Outdoors February 2005
Cinco review by Rob Reed

Men's Journal March 2005
Moots Cycles American Classics Issue by Ben Hewitt

mensjournal.com March 2005
Moots Cycles American Classics Gear Guide by Ben Hewitt

dreambike.com April 2005
Moots Cycles company bio, mountain & road reviews

Bicycling May 2005
Cinco review by Matt Phillips.

Mountain Bike Magazine May 2005
Cinco review by MB

Bicycling July 2005
Mootour First-Class Getaway by Mark Riedy

Frazz Comic Strip, Denver Post Summer 2005
Moots Cycles mention by Jef Mallett

Look for upcoming press coverage in the November issue of BIKE. Throughout our 24 years of operation Moots has proudly appeared in prominent road and mountain bike cycling publications around the globe.

Many thanks to the editors and product testers.

Titanium Components

Open Road Ti Stem

Being the first to bring you a removable face titanium road stem wasn't good enough for us, we wanted to make it better. Combining our designing, machining and welding skills we bring you the titanium Open Road Ti stem. Elegant and lightweight for the road, this stem optimizes the material making it strong, stiff, lightweight and beautiful.

- Available in 26.0 or 31.8
- Carbon handlebar compatible with removable aluminum faceplate
- Double ovalized CWSR 3/2.5 extension for strength and stiffness
- Exclusive Moos designed and manufactured dual binder for clamping strength in a no knee bruising design
- Large variety of sizes including custom
- Steer tube clamp length 45mm
- Shims for 1" available
- 148 grams 120 length
- 5 year warranty on workmanship and materials



Handle Bars

Take your pick. We've got them in 22", 23", 24", 25" flat bars (4 lengths and 2 sweeps). Each of our titanium bars is made from 3/2.5 CWSR tubing and formed in house, giving you the best selection of ti bars under one roof. Two year warranty.

Ti Handle Bars		
Style	Width	Sweep
Ti Standard	22", 23", 24", 25"	5", 8"



Ti-Beam Mountain Stem

The Ti-Beam Mountain stem has proven itself as a stiff no-nonsense top of the line mountain stem.

- Available in 25.4
- Removable face for easy installation.
- Large diameter oval extension for superior strength and stiffness in a titanium stem
- Beautifully machined and welded
- Exclusive Moos designed and manufactured dual binder for clamping strength in a no knee bruising design
- Large variety of sizes including custom
- Steer tube clamp length 50mm
- Shims for 1" available
- 186 grams 120 length
- 5 year warranty on workmanship and materials



Straight Laced Seatpost & Lay Back Seatpost

- Welded construction for superior strength to weight ratio
- 3/2.5 CWSR tubing drawn to exact size for better strength than ground or turned tubing
- 4 lengths and 2 diameters to choose from for size specific fit
- 220mm post weighs 174 grams, 340mm weighs 226 grams
- Knurled head and clamp to prevent slipping
- 6 mm decromet hardened bolts, the highest grade around
- Light, strong and beautiful, the perfect compliment to any fine bike
- Lay Back model has 19mm set back on 27.2 and 16mm on 28.6 for better fit and less stress on saddle rails
- Two year warranty

Moos Stems	
Style	
Open Road Ti, Reversible 1-1/8" only	
90 X ± 6 , 100 X ± 6 , 110 X ± 6 , 120 X ± 6 , 90 X 0, 100 X 0, 110 X 0, 120 X 0, 130 X 10, 130 X 0	
Ti-Beam Stem Mountain, 1-1/8" only	
90 X 6, 100 X 6, 110 X 6, 120 X 6, 130 X 10	
Custom Ti-Beam Stem (50% Deposit Required)	
Custom Open Road Ti Stem (50% Deposit Required)	

Seat Posts		
Diameters: 27.2, 28.6		
Straight Seat Posts	Laid Back Seat Posts	
Length	Length	
220	220/230	
280	280	
340	340	
380	380	



Tailgator Rack and Bag

- Super lightweight rack at 150 grams
- Beautiful titanium construction for strength and lightweight
- Fits large range of seatpost diameters
- Double bag, has large capacity with tool holders and expandable top
- 5 lb capacity
- 2 year warranty

Mountain Bikes



Zirkel

**NEW
2006!**

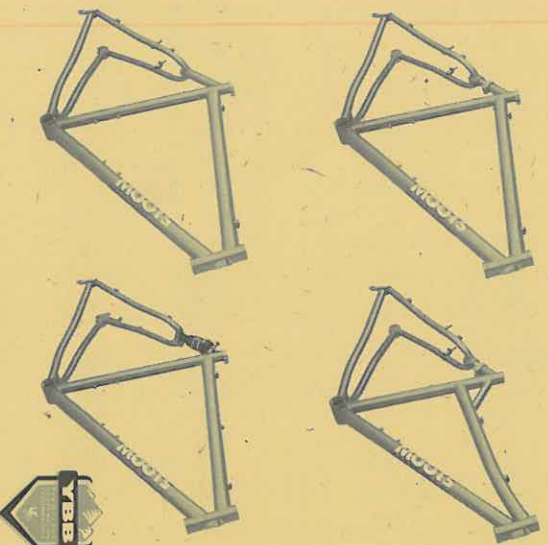
- "Matched Arc" suspension eliminates need for dropout pivot
- 3" fully active rear wheel travel for when you want it
- Design for use with 100mm travel fork
- Large diameter sealed bearing pivots for excellent durability and ease of maintenance
- SAPA manufactured aluminum rear end for increased lateral and torsional stiffness
- 16.9" chain stays and cross-country geometry for superior handling, race ready frame
- Water bottle bosses for two bottles
- Progressive 5th Element Air or Fox RP3 rear shock options
- Seven stock sizes for very precise fitting with full custom fitting available
- Size specific CWSR Pi-Tech tubing, highest grade 3/2.5 titanium for perfect balance of ride quality, comfort and light weight
- Will be available as ISO/Canti only
- Lifetime warranty on titanium front end, 2 year warranty aluminum rear triangle



Cinco

- 5 inches of all trail travel
- Progressive 5th element or Fox RP3 rear shock option
- Five stock sizes for very precise fitting or full custom options available
- ISO disc mounts only
- Mate with 130mm fork
- Great tire clearance for larger tires
- Quad sealed bearing for additional durability
- Lifetime warranty on titanium front end, 2 year warranty on aluminum rear triangle

YBBeat • YBBent • Rigor Mootis • YBB Air

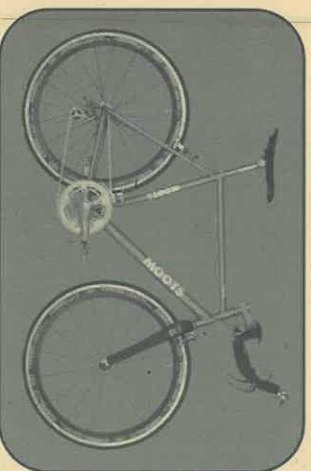


- 1 1/8" of pivotless rear wheel travel on YBB for greater traction and comfort. The benchmark for all Softails
- Wishbone seatstay system for excellent lateral and torsional stiffness
- Welded in titanium water bottle bosses
- Size specific geometry gives superb handling in each size
- Race proven suspension and geometry; (2) Norba National Championships, 2003 Master's World Champion
- 8 stock sizes for very precise fitting with complete custom fitting available (5 sizes YBB Air)
- 12" and 14" sizes designed with bent top tube for increase stand over
- Size specific CWSR Pi-Tech tubing, highest grade 3/2.5 titanium for perfect balance of ride quality, comfort and light weight
- Modified Breezer dropouts with replaceable hanger with .875" diameter chainstays for superior lateral and torsional stiffness
- 4.1 lb. frame standard YBB, 3.75 lb. frame superlight, 3.6 lbs. Frame Rigor Mootis
- ISO disc only, V-Broke only, or ISO and V-Broke stud combination available
- Unsurpassed attention to detail, perfect welds and alignments
- YBB Air comes with Cane Creek AD-5 for excellent adjustability and rebound damping
- Available as single speed or Rohloff equipped, with new sliding rear dropout
- Lifetime warrantee standard YBBeat, YBB Air, Rigor Mootis, 5 year on SL

Road Bikes

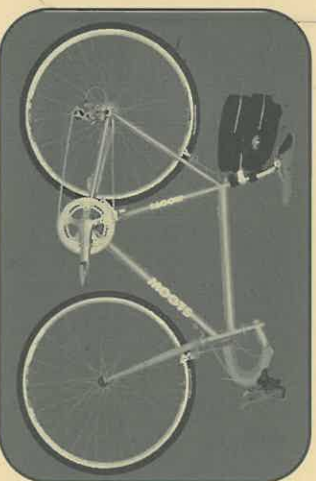
Trigor

**NEW
2006!**



- Tri-athlete specific frame
- Custom only with tri-specific geometry
- Blend of Reynolds 6/4 SL tubing and straight gauged 3/2.5 seamless Aero shaped down tube and seat stays for increased riding efficiency
- Saves more time than the closest fitting Speedo
- Unsurpassed attention to detail, perfect welds and alignments
- .875 diameter chainstays with Brezzer style dropouts - puts the power to the road
- Lifetime warranty on workmanship and materials

Mootour



- All around touring design. This frame is the go everywhere do everything bike
- Custom fit with all the mounting options
- All workmanship top notch with unsurpassed welds and finish
- You can put flat bars and fenders on for the rainy commuting season. It won't rust it's Titanium
- This bike is designed for all types of road surfaces, from loose gravel to Chip-sealed, to smooth fresh asphalt
- Can be loaded with panniers for the extended tour
- It can be built with either long reach or cantilever brakes
- Use either a cross fork or a long reach road fork
- Welded water bottle bosses
- Size and use specific CWSR Pi-Tech tubing, highest grade 3/2.5 titanium for perfect balance of quality, comfort and light weight
- Modified Brezzer dropouts with replaceable hanger. Come with .875 chainstays for superior lateral and torsional stiffness
- Lifetime warranty on workmanship and materials

Vanmoots • Vanmoots SL



Available as a YBB



- Size specific geometry gives superb handling in each size
- Modified Brezzer dropouts with .875" diameter chainstays for lateral and torsional stiffness
- "Windowed" 6/4 Brezzer dropout for lightweight and elegant appearance on SL
- Size specific CWSR Pi-Tech tubing, highest grade 3/2.5 titanium for perfect balance of ride quality, comfort and light weight on Vanmoots
- Reynolds 6/4 double butted top, down and seat tubes used on SL is lighter and stronger than other butted tubes
- Welded seat tube binder and welded water bottle bosses
- Aero seatstays for a more elegant appearance
- Sub 3 lb. frame 55cm, 2.7 lb. 55cm SL
- Ten stock sizes with complete custom fitting available
- Unsurpassed attention to detail, perfect welds and alignments
- Many custom options
- Lifetime warranty on workmanship and materials

Compact • Compact SL



- Size specific geometry gives superb handling in each size
- Easier to fit customers with longer top tube needs without compromising standover
- Modified Brezzer dropouts with .875" diameter chainstays for lateral and torsional stiffness
- Size specific CWSR Pi-Tech tubing, highest grade 3/2.5 titanium for perfect balance of ride quality, comfort and light weight
- Reynolds 6/4 double butted top, down and seat tubes used on SL is lighter and stronger than other butted tubes
- Welded seat tube binder and welded waterbottle bosses
- 2.8 lb. frame 55cm, 2.6 lbs. 55cm SL
- Eight stock sizes with complete custom fitting available
- Unsurpassed attention to detail, perfect welds and alignments
- Many custom options
- Available with the YBB option
- Lifetime warranty on workmanship and materials

Cross Bikes

Psychlo-X YBBeat • Psychlo-X



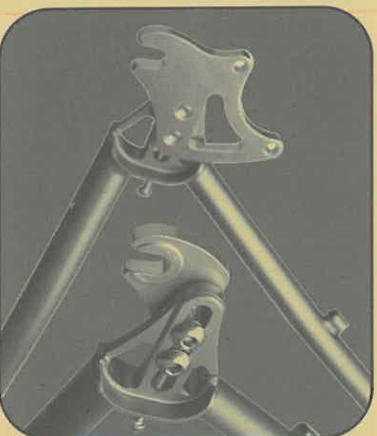
- 1" YBB pivotless suspension travel for comfort and control on YBB
- Size specific geometry gives superb handling in each size
- Modified Breazer dropouts with replaceable hanger with .875" diameter chainstays for lateral and torsional stiffness
- Size specific CWSR Pi-Tech tubing, highest grade 3/2.5 titanium for perfect balance of ride quality, comfort and light weight
- Top tube cable routing with barrel adjuster and pulley for bottom pull road derailleur
- Perfect for dirt road epics and cross race ready
- Fits a 38c tire
- 3.75 lbs. 55 cm Psychlo-x YBB 3.3 lbs. For Psychlo-x
- Seven stock sizes for very precise fitting or custom fitting
- Unsurpassed attention to detail, perfect welds and alignments
- Welded seat post binder and welded waterbottle bosses
- Custom options include full routing braze-ons and 6/4 tubaset and full custom fitting
- Lifetime warranty on workmanship and materials

Mooto-X • Mooto-X YBB

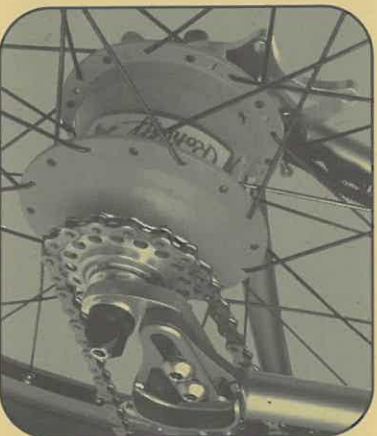


- 1 1/8" of pivotless rear wheel travel on YBB for greater traction and comfort
- 29" wheels for rolling over anything
- Wishbone seatstay system for excellent lateral and torsional stiffness
- Size specific geometry gives superb handling in each size
- Built for 80mm travel 29" (Marzocchi Marathon SL or Rock Shox Reba)
- 5 stock sizes with complete custom fitting available. 17" available in rigid only
- Size specific CWSR Pi-Tech tubing, highest grade 3/2.5 titanium for perfect balance of ride quality, comfort and light weight
- Modified Breazer dropouts with replaceable hanger with .875" diameter chainstays for superior lateral and torsional stiffness
- Welded in titanium water bottle bosses
- 4.2 lb. frame standard YBB
- ISO disc only, V-Brake only, or ISO and V-Brake stud combination available
- Available as a single speed with slider option
- Unsurpassed attention to detail, perfect welds and alignments
- Lifetime warranty on workmanship and materials

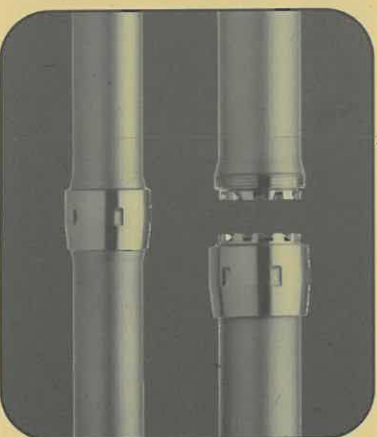
Some more Moos options:



SLIDER DROPOUT

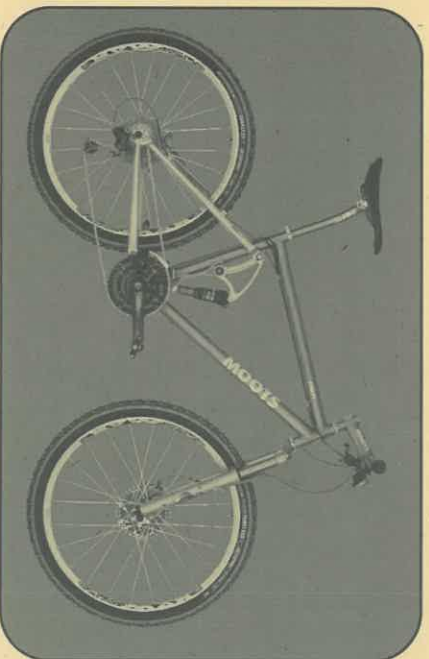


ROHLOFF SET-UP



COUPLERS

What's New in 2006



- We have redesigned our 3" travel bike to provide the same great ride with an improved face lift. The Zirkel maintains the same Moots hand-crafted titanium front end and aluminum rear end manufactured by SAPA Inc. The shock mount has been redesigned and repositioned for increased strength and durability.



- We have increased the sizes in the compact frame category by adding a 50 cm stock size to the compact line. We have also increased headtube lengths slightly.
- You asked for it and we got. We have added two new stock sizes in the Mooto-X family. The 22" will be available in both YBB and rigid. 17" available in rigid only.
- 2006 will be Moots 25th anniversary and to celebrate we will be putting on a spring Wine Country Tour in the Napa Valley. We will be teaming up with Silverado Vineyards, who also turned 25 in 2006. The party will include beautiful rides, winery tours and great food. Look for future details on the web.

- For the single speed crowd, Moots will be introducing the new lightweight and versatile Sliding Dropout. Designed as an alternative to conventional chain tensioning devices. Adjusting the chain tension as easy as turning a screw. The new design also decreases total frame weight. This will be available as a rigid only in 2005, with the YBB suspension frame coming Spring of 2006.



CUSTOMER APPLICATION

Applying for: New Account: _____ Update: _____
 COD: _____ Open: _____ Dollar Volume: _____
 Purchasing Bicycles: _____ Parts: _____

Business Name: _____ Tel #: _____
 Legal Owner: _____ FAX: _____
 Address: Street Address: _____ Email Address: _____
 PO Box/Mailing _____
 City: _____ State: _____ Zip: _____
 Bill to Address if different from above: _____
 Corporation: _____ State of Incorporation: _____ Sole Proprietorship: _____ Partnership: _____
 Federal ID: _____ Retail #: _____
 How long under present ownership? _____ Total Sales in past year: _____
 Size of Store (sq. ft.): _____ Do you rent or own business space: _____
 Landlord/Mortgager: _____
 Have you ever filed bankruptcy? _____

Please attach an additional sheet for other locations.

Principal Owners:

Full name: _____ Title: _____
 Home address: _____ City: _____
 State: _____ Zip: _____ Home telephone: _____ Social Security Number: _____
 Full name: _____ Title: _____
 Home address: _____ City: _____
 State: _____ Zip: _____ Home telephone: _____ Social Security Number: _____

Bank References:

Name: _____ Checking Account #: _____ Balance: _____
 Address: _____ Savings Account #: _____ Balance: _____
 City, State: _____ Zip: _____ Loan #: _____ Balance: _____
 Phone: _____ Fax: _____ Account Manager: _____

Trade References:

Name: _____ Address: _____ City: _____ State: _____ ZIP: _____
 Telephone: _____ FAX: _____ Account #: _____
 Name: _____ Address: _____ City: _____ State: _____ ZIP: _____
 Telephone: _____ FAX: _____ Account #: _____
 Name: _____ Address: _____ City: _____ State: _____ ZIP: _____
 Telephone: _____ FAX: _____ Account #: _____

AGREEMENT: As an owner/officer of my company, I certify that the information provided in this application is correct. I have reviewed the sales terms and conditions for Moots Cycles and agree to personally guarantee payments in full for all valid purchases.

The undersigned certifies that he/she is authorized to execute this document and that all statements are true and correct. Verification may be obtained from any source named in this application. I/we hereby authorize my/our creditor(s) and financial institution(s) to release such information as MOOTS CYCLES shall request for the purpose of verification of any information or statements contained in this application and that a copy of this authorization may be used to obtain such information. I/we hereby authorize MOOTS CYCLES to provide the information contained herein to other credit reporting services and suppliers.

Signature of Applicant _____ Title _____ Date _____

Signature of Applicant _____ Title _____ Date _____

Financing Statement filed: Yes _____ If so date: _____ No: _____ ALL APPLICANTS MUST SIGN ATTACHED GUARANTEE (see next page)

GUARANTEE

For valuable consideration received from Mucha Brothers, Inc., doing business as MOOTS CYCLES ("MOOTS CYCLES"), the receipt of which is acknowledged by _____ ("Customer"), and in consideration of the present and future sales contracts between MOOTS CYCLES and Customer, the undersigned _____ (Owner(s)/Guarantor(s) hereby agrees and promises as follows:

Obligation of Guarantor. Guarantor hereby guarantees on a continuing basis the prompt and complete performance by Customer of the terms, covenants and conditions of all present and future contracts, written or oral, between Customer and MOOTS CYCLES for the purchase and sales of bicycles, bicycle parts, and/or accessories, or equipment, or any other merchandise, or the sale of services and that Customer will pay when due the contract price of any and all goods or services specified in or delivered under such contracts. Further, upon notice from MOOTS CYCLES of any default by the Customer, under such contracts or any extensions thereof, either in the payment of all or part of the contract price or in the failure to accept delivery under said contracts, or in the failure to pay freight or other charges in accordance with any contract, or upon the failure of the Customer to observe any other term, covenant, or condition of such contract, Guarantor shall unconditionally become liable to MOOTS CYCLES and shall pay to MOOTS CYCLES in Steamboat Springs, Colorado, any amount which Customer is then owing, including without limitation any claim for damages, costs and expenses attributable to failure by Customer either to accept delivery or to take proper care of merchandise deliverable but not accepted for any reason, or for the violation by Customer of any term, covenant or condition of any said contracts. Guarantor's obligation shall include the payment of the entire interest or post maturity charges specified in the underlying sales contracts, agreements or MOOTS CYCLES' order acknowledgment forms or such lesser amounts computed at the maximum rate Guarantor is permitted to pay under Colorado law.

Limited Power of Attorney. Customer authorizes and irrevocably grants MOOTS CYCLES limited power of attorney to sign, file, in Customer's name, financing statement(s) and/or amendment(s) at any time with respect to any of the MOOTS CYCLES products sold to Customer as herein defined, without the Customer's signature, it being understood and intended by Customer that such power of attorney is limited solely to the powers described herein.

Extensions of Time and Modifications. The obligations of Guarantor are not in any way released or discharged by reason of any modification or extension of time for performance of any contract or of any term, covenant, or condition thereof, or by reason of any extension of time for payment of the whole or any part of the indebtedness of said Customer, or by reason of the receipt and acceptance by MOOTS CYCLES of notes, bills, checks or other instruments for the payment of money made either by the said Customer or by any other person or persons, and extensions and renewals thereof.

Cessation of Delivery. MOOTS CYCLES shall have the right, without notice to or approval of Guarantor, and without affecting or discharging in whole or in part the liability of Guarantor hereunder, to refuse to deliver further merchandise until Customer fully performs its obligations under contracts then outstanding.

Continuing Guarantee. This is a continuing guaranty applicable to all present and future contracts between MOOTS CYCLES and Customer and is applicable to all such contracts until this agreement is terminated by Guarantor through delivery of a written notice of termination to MOOTS CYCLES at its principal office in Steamboat Springs, Colorado, but such notice shall be operative only as to subsequent contracts and shall not release Guarantor of its obligation hereunder with respect to sales made and contracts entered into prior to that date that such notice is received by MOOTS CYCLES.

Notice. Guarantor shall be deemed to have notice from MOOTS CYCLES without further action from MOOTS CYCLES, of all obligations of Customer, and amounts and terms thereof, and notice of defaults, non-performance or non-payment by Customer of any of its obligations or liabilities under any existing or future contracts between Customer and MOOTS CYCLES. MOOTS CYCLES shall be under no obligation to proceed against Customer prior to its rights under this Agreement.

Records. The books of account, papers, and documents maintained by MOOTS CYCLES in its normal course of business shall be deemed prima facie evidence of the existence of an indebtedness against Customer and of the extent of such indebtedness.

Acceleration of Liability. All liabilities of Customer shall mature immediately and be deemed in default upon the reorganization of Customer, transfer of substantially all of the assets of Customer, or sale of a majority interest in Customer, insolvency of Customer, the commission of an act of bankruptcy by Customer, the appointment of a receiver for Customer or any of its property, the filing of a voluntary or involuntary petition in bankruptcy, reorganization, or arrangement, the making of an assignment for the benefit of creditors, or the calling of a meeting of creditors of Customer.

Attorneys' Fees. Should Guarantor, after receipt of written notice from MOOTS CYCLES, fail or delay in any way to comply immediately in all respects with the obligations hereunder, and should failure or delay require referral to an attorney for enforcement, Guarantor shall pay to MOOTS CYCLES a reasonable amount as attorney's fees and collection costs, or at the option of MOOTS CYCLES, a specified sum equal to 10% of the total amount due, provided, however, that the foregoing provision of attorney's fees and collections costs is void where prohibited by applicable law.

Joint and Several Liability. The term "Guarantor" as used herein shall mean all persons signing this agreement, and such persons, if more than one, shall be jointly and severally liable hereunder. The liability of one or more Guarantors shall not be conditioned on signature, acts or performance of another Guarantor.

Entire Agreement and Interpretation. This agreement supersedes all prior oral and written understanding, constitutes the entire agreement between Guarantor and MOOTS CYCLES and may not be changed or amended in any manner except by a writing signed by the Guarantor and mailed postage prepaid to MOOTS CYCLES at its principal offices in Steamboat Springs, Colorado. The paragraph captions herein are for identification purposes only and shall not be used in construing this agreement. Should any term or provision of this agreement be held illegal or unenforceable for any reason, the validity of the remaining portions shall not be affected thereby. The law of the State of Colorado shall govern the interpretation, validity and performance of this entire agreement. Jurisdiction over any action filed with respect to this Agreement shall be in the District Court of Rout County, Colorado.

IN WITNESS WHEREOF, Guarantor has signed this agreement this _____ day of _____, 200__.

Owner _____ Individually

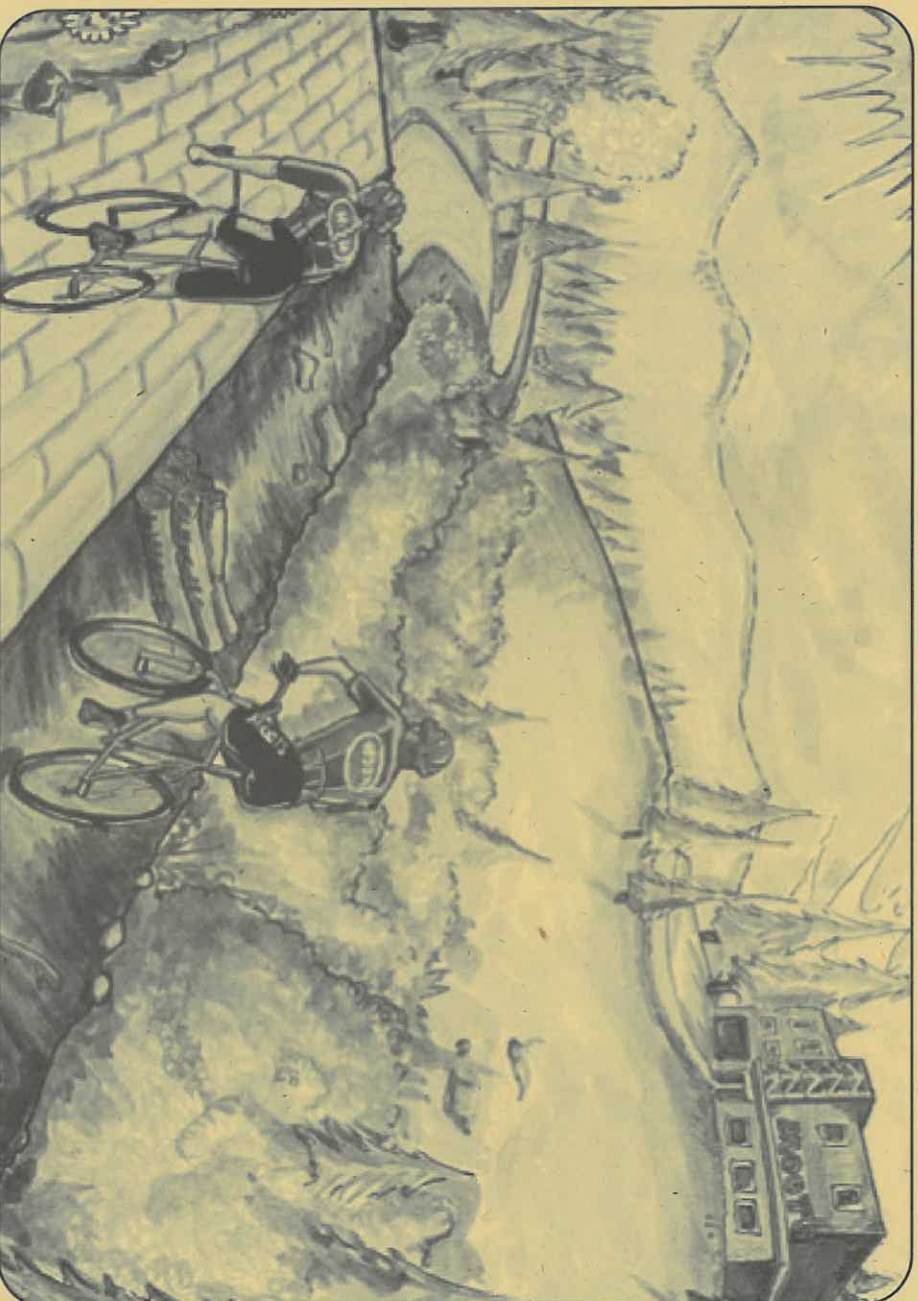
Co-Owner _____ Individually

WITNESS: _____ Date: _____

WITNESS: _____ Date: _____

Be Our Guest In 2006

Checking Into the Moots Factory



What are you waiting for? This is the fourth year we have been offering free lodging and we still haven't seen you all. Make sure you book a room at our home this year. Any qualified shop is welcome to stay at the factory in our guest apartment. Don't worry there are no strings attached and you won't be asked to clean the shop when you leave. It's just been our belief that when you see how we do it, you'll appreciate the product that much more.

Of course we have great biking! That season is usually May through November but for the hardy you can ride year round. Steamboat is known as Ski Town USA for a reason and the snow starts flying earnestly in November. Steamboat Ski Resort opens around Thanksgiving and closes around Easter. Backcountry skiing can start as early as October and goes through May. Give us a call for the latest conditions. We also have great fishing, hunting, backpacking, camping, and just plain relaxing. Being a World Class resort, there are numerous great events that go on year round. From summer rodeos to World Cup Nordic Combined events there is always something happening. Come ride with Moots.

The sales team can give you all the details. Just give us a call. We keep a schedule and assigned dates. It's first come first serve so don't wait. Come and see for yourself what Handbuilt in the Rockies is all about.



Moots
STEAMBOAT SPRINGS, COLORADO

Moots Cycles

2545 Copper Ridge Drive
Steamboat Springs, CO 80487

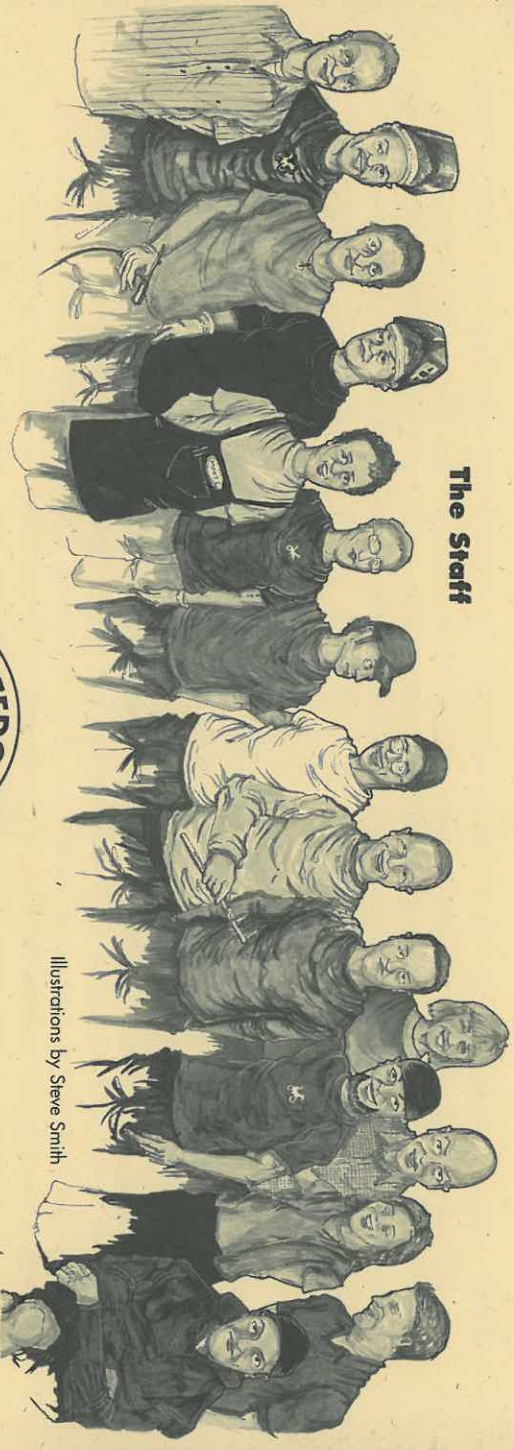
Phone: (970) 879-1676

Fax: (970) 879-3067

E-Mail: info@moots.com

Web: www.moots.com

The Staff



Illustrations by Steve Smith

