

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL
EFFECTIVE DATE:	09/06/2006

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Douglas A. Larson		09/06/2006	INDIVIDUAL: UNITED STATES

RECEIVING PARTY DATA

Name:	Heritage Brands, LLC
Street Address:	602 Washington Avenue
City:	Carlstadt
State/Country:	NEW JERSEY
Postal Code:	07072
Entity Type:	CORPORATION: NEW JERSEY

PROPERTY NUMBERS Total: 7

Property Type	Number	Word Mark
Serial Number:	78831389	ROAR
Registration Number:	1336232	BRIGHT WATER
Registration Number:	1336230	BRIGHT WATER
Registration Number:	3047324	SPRING AIRE
Registration Number:	2421790	SPRING TIME
Registration Number:	2473524	SPRING TIME
Registration Number:	2949989	BRIGHT WATER

CORRESPONDENCE DATA

Fax Number: (212)953-7733
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 212 986 2340
 Email: JandH@ipattorneys.com
 Correspondent Name: Jordan and Hamburg

OP \$190.00 78831389

Address Line 1: 122 East 42nd Street
Address Line 4: New York, NEW YORK 10168

NAME OF SUBMITTER: /C. Bruce Hamburg/

Signature: /C. Bruce Hamburg/

Date: 05/03/2007

Total Attachments: 38

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BILL OF SALE AND TRANSFER STATEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, Douglas A. Larson ("Seller") hereby conveys and assigns, free and clear of security interests, liens and encumbrances to Heritage Brands, LLC ("Buyer") all of his and Pinnacle Labs, LLC ("Debtor") right, title, interest in and to the Assets as such are defined and more particularly described in the UCC Sale Agreement dated as of September 8, 2006 between the Seller and Buyer ("Agreement").

Other than warranties expressly set forth in the Agreement, the Seller's transfer of the Assets is AS IS, WHERE IS, WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY NATURE, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Debtor has defaulted in connection with its obligations to the Seller, which obligations are secured by the Assets, and the Seller (as secured party) has exercised his post-default remedies with respect to the Assets. By reason thereof, the Buyer, as transferee, acquires hereby the rights of the Debtor in the Assets, as well as the rights of the Seller in the Assets by reason of this instrument.

The name and mailing address of the Seller, the Debtor and the Buyer are:

Douglas A. Larson, Secured Party
P.O. Box 636
Menomonie, Wisconsin 54751

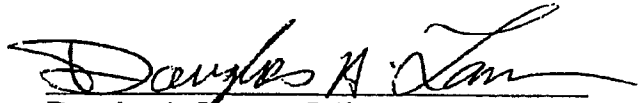
Pinnacle Labs, LLC, Debtor
134 Columbia Court
Chaska, MN 55318

- 2 -

Heritage Brands LLC, Buyer
602 Washington Avenue
Suite A
Carlstadt, NJ 07072
Attention: Mr. Robert Guidi

The provisions of this Bill of Sale and Transfer Statement are subject in all respects to the terms and conditions of the Agreement.

Dated as of this 8th day of September, 2006.


Douglas A. Larson, Seller

061499-4RAP-060906MJP
BILL OF SALE

TRADEMARK
REEL: 003534 FRAME: 0177

Attachment A
Assigned Trademarks

<u>Mark</u>	<u>Registration/ Filing Date</u>	<u>Registration/Serial No.</u>
Bright Water	May 10, 2005	2,949,989
Bright Water	May 21, 1985	1,336,232
Bright Water	May 21, 1985	1,336,230
Roar	March 7, 2006	78/831,389
Spring Aire	January 24, 2006	3,047,324
Spring Time	January 16, 2001	2,421,790
Spring Time	July 31, 2001	2,473,524

UCC SALE AGREEMENT

This **UCC SALE AGREEMENT** (this "**Agreement**") is entered into this 8th day of September, 2006, by and among DOUGLAS A. LARSON of Menomonie, Wisconsin (the "**Seller**") and HERITAGE BRANDS, LLC (the "**Buyer**").

RECITALS:

WHEREAS, Pinnacle Labs, LLC ("**Pinnacle**") is or was a Minnesota limited liability company that was engaged in the business of marketing, manufacturing, packaging and filling of consumer household products to the retail and household products industries (the "**Business**") and was located at 4404 Anderson Drive, Eau Claire, Wisconsin (the "**Premises**"); and

WHEREAS, Pinnacle was indebted to the Seller (the "**Indebtedness**") under the terms of a certain Loan and Security Agreement dated as of May 2, 2006, as amended from time to time and various notes and related documents executed in connection therewith (collectively, the "**Loan Documents**"); and

WHEREAS, to secure the Indebtedness, among other things, and pursuant to the terms and conditions of the Loan Documents, Pinnacle granted to the Seller a lien and security interest in and to all of Pinnacle's assets described in the Loan Documents (collectively, the "**Collateral**"); and

WHEREAS, Pinnacle having defaulted on its obligations to the Seller under the Loan Documents, and having been unable to cure such defaults, and all of the Indebtedness having matured and having become fully due and owing, pursuant to a Voluntary Surrender, Foreclosure and Liquidation Agreement dated May 2, 2006 between Pinnacle and Seller ("**Surrender Agreement**") Pinnacle voluntarily surrendered the Collateral to Seller in full satisfaction of the obligations secured by the Collateral and the Seller accepted the Collateral as such; and

WHEREAS, the Seller represents that pursuant to the Surrender Agreement and its secured lien in the Assets, it owns and has the right to sell, transfer, and/or assign the Assets (as defined below) free and clear of all liens, claims and encumbrances, including but not limited to any environmental liability; and

WHEREAS, the Buyer desires to purchase from the Seller and the Seller desires to sell to the Buyer, all of the Assets (as defined hereinafter), free and clear of all liens, claims and encumbrances, on the terms and conditions described herein by means of a secured party sale of surrendered collateral (ie. the Assets) at a private sale conducted in accordance with and pursuant to the applicable provisions of the Wisconsin Uniform Commercial Code ("**UCC**"); and

NOW, THEREFORE, In consideration of the premises and the mutual covenants and the agreements herein set forth, including the recitals which are hereby incorporated into this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby, agree as follows:

TRADEMARK

REEL: 003534 FRAME: 0179

1. **Purchase of Assets.**

Subject to the terms and conditions of this Agreement, the Buyer agrees to purchase from the Seller, and the Seller agrees to sell to the Buyer all of the Collateral, including but not limited to those items set forth at **Schedule 1(a)** attached hereto, free and clear of any and all liens, claims or encumbrances, substantially in the same state and condition at Closing as they are as of the date hereof (collectively, the “**Assets**”); provided, that the Assets shall not include any cash, security deposits, or accounts receivable.

2. **Payment of Purchase Price.** As consideration for the Assets, Buyer shall pay at the Closing the sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00), plus any costs incurred by the Seller related to the Assets since August 8, 2006 as previously agreed by the parties (the “**Purchase Price**”).

3. **Method of Sale.** The parties hereto acknowledge that at the Closing the Lender shall conduct a private sale of the assets pursuant to Wis. Stats. 409.610 (the “**Sale**”). The Buyer’s bid for the Assets as set forth in this Agreement (which is the Purchase Price) shall be the bid price for the Assets.

4. **Closing.**

(a) **Closing Date.** Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated herein (the “**Closing**”) shall be held on September 8, 2006 at the Office of the Seller’s Madison, Wisconsin counsel, or such other date and/or place as shall be agreed to by the parties.

(b) **Seller’s Deliveries at Closing.** At the Closing, the Seller shall execute and deliver or cause to be executed and delivered to the Buyer the following:

(i) A Bill of Sale for the Assets in the form attached hereto as Exhibit A and made a part hereof transferring to the Buyer all right, title and interest of the Seller in and to the items set forth or referenced therein, free and clear of any and all liens, claims or encumbrances of the Seller;

(ii) A current UCC search of the Assets showing all claims of record against the Assets, a UCC-3 termination statement of the Seller’s security interest as to all of the Assets in recordable form and, if requested by the Buyer, executed by the Seller and a UCC-3 termination statement of the secured liens of Royal Credit Union (RCU)’s upon any and all of the Assets;

(iii) A lease of the Premises (“**Lease**”) executed by DAL Investments 2, LLC (“**Lessor**”) a copy of which Lease is attached hereto as Exhibit B;

(iv) An Opinion of Counsel, reasonably acceptable to the Buyer, stating that the Seller (or the Lessor as the case may be) has all right, power and

authority to enter into and consummate this Agreement and all of the agreements and transactions set forth herein or contemplated hereby, and that the Buyer shall take the Assets free and clear of all liens or encumbrances thereon; and

(v) Such other instruments and documents as the Buyer shall reasonably request to consummate the transactions contemplated in this Agreement.

(c) Buyer's Deliveries at Closing. At the Closing, the Buyer shall execute and deliver or cause to be executed and delivered to the Seller the following:

(i) The Purchase Price;

(ii) The Lease;

(iii) Such other instruments and documents as the Seller shall reasonably request to consummate the transactions contemplated in this Agreement.

5. Delivery and Condition of the Assets.

(a) Immediately upon completion of the Closing, Seller shall be deemed to have fully and completely turned over to the Buyer the ownership, possession, custody and control of the Assets.

(b) Subject to the warranties and representations set forth in Section 9 hereof, the Buyer agrees that it is purchasing and shall take possession of the Assets in their "AS IS, WHERE IS" CONDITION WITHOUT ANY WARRANTY OR REPRESENTATION OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE, and acknowledges that it has previously been given the opportunity to and has conducted such investigations and inspections of the Assets as the Buyer has deemed necessary or appropriate for the purposes of this Agreement.

(c) Except as expressly provided for herein, the Buyer acknowledges and agrees that the Seller has not made, and hereby does not make, any express or implied representations, statements, warranties, or conditions of any kind or nature whatsoever concerning the Assets, except that the Assets are being sold free and clear of all liens and encumbrances.

6. Conditions Precedent to Obligations of Parties to Close.

(a) The obligations of the Seller to proceed with the Closing under this Agreement and to consummate the transactions contemplated herein are subject to the fulfillment of the condition set forth herein, that all of the Buyer's representations, warranties and covenants contained herein shall materially be true and correct as of the Closing, with the same force and effect as though such representations, warranties and covenants had been made on, as of and with reference to the Closing, provided, however, the Seller, in its sole and absolute discretion,

may waive the failure to occur of any of the foregoing conditions precedent to its obligations to proceed with a Closing under this Agreement; and

(b) The obligations of the Buyer to proceed with the Closing under this Agreement and to consummate the transactions contemplated herein are subject to the following conditions; provided, however, the Buyer, in its sole and absolute discretion, may waive the failure to occur of any of the following conditions precedent to its obligations to proceed with a Closing under this Agreement:

(i) the fulfillment of the condition set forth herein, that all of the Seller's representations, warranties and covenants contained herein shall be true and correct as of the Closing, with the same force and effect as though such representations, warranties and covenants had been made on, as of and with reference to the Closing;

(ii) prior to the Closing, there is no occurrence or litigation which materially or adversely could affect the Seller's rights to sell the Assets to the Buyer free and clear of all liens, claims and encumbrances; and

(iii) the Assets shall be substantially in the same state and condition at the Closing as they are as of the date hereof.

7. **Pre-Closing Covenants.** Between the date hereof and the Closing, the Seller hereby covenants and agrees as follows:

(a) He shall not sell, lease, transfer, convey, assign or dispose of in any manner whatsoever, any of the Assets, except with the express written consent of the Buyer, in the Buyer's sole discretion; and

(b) He shall not knowingly take, or fail to take, any action which by reason of taking or such failure to take would make any representation or warranty herein materially untrue, inaccurate or otherwise misleading; and

(c) He shall not participate in any discussions with any other Person with respect to the sale or other disposition of the Assets without the express written consent of Buyer, which consent may be withheld by Buyer in Buyer's sole discretion.

8. **Liabilities Not Assumed.** Buyer is purchasing assets and not an ongoing business or enterprise. Buyer is not assuming, nor shall it in any way be liable or responsible for, any liabilities, obligations or debts respecting the Business, the Assets, the Premises or otherwise, or the operation of the Business, prior to Closing, whenever arising and whether known or unknown, primary or secondary, direct or indirect, absolute or contingent, contractual, tortious or otherwise, including, without limitation: (i) wage and compensation related expenses, employment benefit liabilities, and any other employment related expenses or obligations, (ii) any environmental liability, including but not limited to with respect to any Hazardous Material, costs or expenses of compliance, inspection, remediation or otherwise for anything whatsoever arising prior to the Closing; (iii) all product warranty liabilities, obligations and claims, including claims for consequential damages and damages to person or property or credits or allowances arising out of or related to goods and products manufactured or sold by Pinnacle or any other Person,

regardless of when shipped; (iv) all federal, state or local Taxes due and owing or accrued as of the Closing; (v) all liabilities, obligations and claims, now existing or hereafter at any time arising or asserted for the period prior to the Closing; and (vi) all accounts payable incurred by Pinnacle or any other Person prior to the Closing.

9. **Seller's Representations and Warranties.** The Seller, in order to induce the Buyer to enter into this Agreement, hereby covenants, represents and warrants with the intent and understanding that the Buyer is expressly relying thereon as a material inducement to enter into this Agreement as follows:

(a) The Seller is an individual residing in Menominee, Wisconsin;

(b) The Seller has full rights, powers and authority to execute this Agreement and consummate the transactions contemplated herein;

(c) The Seller has not heretofore, sold, transferred, pledged, conveyed or otherwise disposed of his right, title and interest in and to the Assets, and holds liens and security interests in and to the Assets in accordance with the terms and conditions of the Loan Documents;

(d) The Seller has complied, or will comply, with all necessary provisions of the UCC in order to consummate the transactions contemplated in this Agreement and has given, or will give, if required by the UCC, notice to all parties that it is aware of that have any interest in the Assets that will be affected by the sale of the Assets to the extent notice is required;

(e) The surrender of the Collateral by Pinnacle to the Seller has been accepted by the Seller in full satisfaction of the obligation which the Collateral secured. There are no guarantors regarding such obligation.

(f) On the Closing Date, the Assets will be sold free and clear of all liens and encumbrances, except for any liens or encumbrances to be satisfied at Closing out of the Closing proceeds otherwise payable to the Seller, so that the Buyer will take title to the Assets free and clear of all liens and encumbrances.

(g) The Seller, the Premises and the Assets are covered by valid and currently effective insurance policies or binders of insurance, including, without limitation, general liability insurance, and property and casualty insurance, issued in favor of the Seller, in each case, with reputable insurance companies and in such types and amounts and covering such risks as are consistent with the storage of the Assets and the maintenance of the Premises. The Seller is not in default with respect to its obligations under any insurance policy maintained by it, and all premiums thereunder will be timely paid in full for all periods up to and through the Closing.

(h) Within the past five (5) years, the Seller has not received any written communication from any governmental body, Person or any citizens' group, employee or otherwise, alleging (i) that the Seller, Pinnacle, the Assets or the Premises has violated or is in violation of any environmental law or is liable for any cleanup of Hazardous Materials or (ii) that Seller, Pinnacle, the Assets or the Premises has any environmental liability.

10. **Buyer's Representations and Warranties.** The Buyer, in order to induce the Seller to enter into this Agreement, hereby covenants, represents and warrants to the Seller with the intent and understanding that the Seller is expressly relying thereon as a material inducement to enter into this Agreement as follows:

(a) The Buyer has full rights, powers, and authority to execute this Agreement and consummate the transactions contemplated herein;

(b) This Agreement has been duly authorized by all necessary company actions on the part of the Buyer; and

(c) The representative executing and delivering this Agreement on behalf of the Buyer is duly authorized and empowered to act.

11. **Termination and Remedies.** This Agreement and the transactions contemplated herein may be terminated prior to Closing pursuant to any of the following:

(a) By the mutual written consent of the Seller and the Buyer, in which case, this Agreement shall be null and void and of no legal effect whatsoever,

(b) By the Seller or the Buyer if the other party materially defaults under this Agreement which default remains uncured 10 days after written notice by the Seller or the Buyer to the other party setting forth the nature of the material default, or if the Closing shall not have occurred at or before 5:00 p.m. on September 8, 2006 whichever date is earlier; provided, however, that the right to terminate this Agreement under this subparagraph shall not be available to any party whose failure to fulfill any of its obligations under this Agreement, or to act in good faith, has been the cause of or resulted in the failure of the Closing to occur on or prior to the aforesaid date.

12. **Survival.** The representations, warranties and covenants contained herein shall survive the execution and delivery of this Agreement and Closing until barred by applicable statute of limitations.

13. **Risk of Loss.** In the event that a material portion of the tangible personal property contained in the Assets is damaged or destroyed (twenty-five percent (25%) or more of the aggregate book value of the tangible personal property items as determined from Pinnacle's Books and Records), whether due to labor disputes, hazardous materials liability, fire, environmental contamination or other casualty from the date of this Agreement through the Closing, then the Buyer shall, at its sole option, (i) terminate this Agreement as its sole remedy, or (ii) elect to retain the insurance proceeds relating thereto as its sole remedy, and shall be required to close the transactions as otherwise herein contemplated; provided, that in the event that the percentage is less than twenty-five percent (25%), the Purchase Price shall be adjusted accordingly, or Buyer may elect to retain the insurance proceeds relating thereto as its sole remedy.

14. **Amendment and Modification.** This Agreement may be amended, modified or supplemented only by written agreement of the parties hereto.

15. **Severability.** Any provision of this Agreement that shall be prohibited or unenforceable shall be deemed ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

16. **No Third-Party Rights.** This Agreement is not intended, and shall not be construed, to create any rights in any parties other than the Seller and the Buyer, and no Person may assert any rights as third-party beneficiary hereunder, including, without limitation, the creditors of Pinnacle or of the Seller, or any labor organization representing Pinnacle's employees except that any rights, obligations or remedies of the Buyer hereunder may be exercised by an affiliate of the Buyer.

17. **Entire Agreement.** This Agreement, including those documents identified herein or appended hereto as Exhibits constitutes the entire contract between the parties relating to the subject matter hereof and is the final and complete expression of their intent. No prior or contemporaneous negotiations, promises, agreements, covenants, or representations of any kind or nature, whether made orally or in writing, have been made by the parties, or any of them, in negotiations leading to this Agreement or relating to the subject matter hereof, which are not expressly contained herein, or which have not become merged and finally integrated into this Agreement; it being the intention of the parties hereto that in the event of any subsequent litigation, controversy, or dispute concerning the terms and provisions of this Agreement, no party shall be permitted to offer to introduce oral or extrinsic evidence concerning the terms and conditions hereof that are not included or referred to herein and not reflected in writing.

18. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of Wisconsin.

19. **Enforcement.** Each of the Seller and the Buyer hereby acknowledges that the provisions of this Agreement are of a special and unique nature, the loss of which cannot be accurately compensated for in damages by an action at law, and that the breach or threatened breach of the provisions of this Agreement would cause the Buyer or the Seller, as the case may be, irreparable harm and that money damages would not be an adequate remedy (except as otherwise provided herein) for any breach or threatened breach of the provisions of this Agreement by the Seller or the Buyer, as the case may be. Therefore, the parties hereto agree that the Buyer or the Seller, as the case may be, shall be entitled to seek equitable relief, including, without limitation, an injunction or injunctions (without the requirement of posting a bond or other security or any similar requirement or proving actual damages) to prevent breaches or threatened breaches of this Agreement by the Seller or the Buyer, as the case may be, and to specifically enforce the terms and provisions of this Agreement, this right of specific performance being in addition to any other remedy to which the Buyer or the Seller, as the case may be, is or may be entitled at law or in equity.

20. **Waiver of Jury Trial.** EACH OF THE SELLER AND THE BUYER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION TO ENFORCE OR DEFEND ANY RIGHT UNDER ANY THIS AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR TO BE DELIVERED IN CONNECTION WITH THIS AGREEMENT AND AGREES THAT ANY ACTION WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

21. **Counterparts.** This Agreement may be executed in one or more counterparts, all of which taken together constitute one and the same instruments. A signed counterpart is as binding as an original. A facsimile signature shall be treated as an original signature.

22. **Expenses.** Except as otherwise expressly set forth herein, each party hereto shall bear all fees and expenses incurred by such party in connection with, relating to or arising out of the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including, without limitation, attorneys, accountants, and other professional fees and expenses.

23. **Non-Waiver.** The failure in any one or more instances of a party to insist upon performance of any of the terms, covenants or conditions of this Agreement, to exercise any right or privilege in this Agreement conferred, or the waiver by said party of any breach of any of the terms, covenants or conditions of this Agreement, shall not be construed as a subsequent waiver of any such terms, covenants, conditions, rights or privileges, but the same shall continue and remain in full force and effect if no such forbearance or waiver had occurred. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

24. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

25. **Future Deliveries.** The parties shall execute such further documents, and take such other actions, as may be reasonably necessary to transfer and convey the Assets to the Buyer on the terms contained herein and to otherwise comply with the terms and conditions of this Agreement and consummate the transactions herein provided.

26. **Notices.** All notices required or permitted to be given hereunder shall be in writing and may be delivered by hand, by facsimile, or by nationally recognized overnight delivery courier. Notices shall be deemed given on the first business day following receipt. All notices shall be addressed as follows (or to such other address as any party shall have advised the others in writing):

If to the Seller addressed to:

Douglas A. Larson
P.O. Box 636
Menomonie, Wisconsin 54751
(715) 235-0860 (Fax)

With copies to:

Murphy Desmond S.C.
Attn: Robert A. Pasch, Esq.
2 E. Mifflin Street, Suite 800
P.O. Box 2038
Madison, WI 53701-2038
(608) 257-4333 (Fax)

If to the Buyer addressed to:

Heritage Brands Central, LLC
c/o Heritage Brands LLC
602 Washington Avenue
Suite A
Carlstadt, NJ 07072
Attention: Mr. Robert Guidi
Telephone No.: (201) 508-1603
Facsimile No.: (201) 804-7804

With copies to:

Becker Meisel LLC
354 Eisenhower Parkway
Plaza II, Suite 2800
Livingston, New Jersey 07039
Attn: Ivan J. Kaplan, Esq.
Telephone No.: (973) 422-1100
Facsimile No.: (973) 422-9122

and/or to such other respective addresses and/or addressees as may be designated by notice given in accordance with the provisions of this paragraph.

27. **Assignability.** This Agreement shall not be assignable by any party without the prior written consent of the other parties, which consent shall not be unreasonably withheld, except that the Buyer shall have the right in its sole discretion to assign its rights and obligations under the Agreement to any affiliated entity, in which case that entity shall be thereafter deemed to be the "Buyer" for purposes of this Agreement and all documents executed in connection herewith.

28. **Headings.** The headings contained in this Agreement are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

29. **Construction of Terms.** This Agreement has been drafted jointly by the parties in full consultation with their respective attorneys, and no ambiguity in this Agreement shall be interpreted or construed against any of the parties as the drafter hereof.

30. **Incorporation by Reference.** The recitals hereto and all schedules and exhibits attached hereto shall be deemed an integral part of this Agreement and shall be incorporated herein by reference.

31. **Definitions.** Any capitalized term not otherwise defined herein shall have the meaning set forth in this Section 27.

a. **"Equipment"** means all tangible personal property of a Person, including, without limitation, all equipment and machinery in all of its forms, wherever located, now or hereafter existing, including, without limitation, all accessions, additions,

appurtenances and improvements to, parts, products and replacements of and documents and substitutes for the foregoing.

b. "Fixtures" means, to the extent not covered by the definition of Equipment, all fixtures appurtenant to Real Property in all of their forms, wherever located, now or hereafter existing, including, without limitation, all accessions, additions, appurtenances and improvements to, parts, products and replacements of and documents and substitutes for the foregoing.

c. "Hazardous Materials" means any hazardous or toxic substance or material, or any waste, contaminant, or pollutant, including, without limitation, radioactive materials, oil, petroleum and petroleum products and constituents thereof, which are regulated under any Environmental Law, including, without limitation, any substance, waste or material which is (a) designated a "pollutant", "hazardous substance", "extremely hazardous substance" or "toxic chemical" under the Federal Water Pollution Control Act and/or the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and/or the Emergency Planning and Community Right-To-Know Act, as amended, (b) designated or classified as a "hazardous waste" or "regulated substance" pursuant to the Resource Conservation Recovery Act (a/k/a Solid Waste Disposal Act), (c) designated or classified as a "hazardous material" under the Hazardous Material Transportation Act, as amended, (d) designated or classified as a "toxic substance" under the Toxic Substances Control Act, or (e) regulated in any way under the Environmental Laws of any jurisdiction where the Company or any of its Subsidiaries conducts the Business where any Company Real Property, Company Leasehold or Relevant Property is located. Any container that enclosed or contained any Hazardous Material as defined in this definition above shall be considered a Hazardous Material.

d. "Inventory" means all finished products, work in process, raw materials, goods in transit, goods at customer sites and other inventory or goods held for sale of a Person in all of its forms, wherever located, now or hereafter existing (excluding surplusage materials and materials/product that cannot be sold due to patent restrictions).

e. "Law" means each applicable treaty, statute, law, rule, regulation, order, guidance or recommendation (or any change in its interpretation or administration) by any governmental body, central bank or comparable agency and any request or directive (whether or not having the force of law) of any of those Persons and each judgment, injunction, order, writ, decree or award of any Governmental Body, arbitrator or other Person.

f. "Lien" means any security interest, lien (statutory or otherwise), claim, pledge, mortgage, deed of trust, hypothecation, charge, easement, restriction or encumbrance of any kind, including, without limitation, any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership, and the filing of or agreement to give any financing statement under the uniform commercial code or comparable law of any jurisdiction to evidence any of the foregoing.

g. “Material Adverse Effect” means (i) a material adverse effect upon any of the Assets or the legality, validity or enforceability of this Agreement or any other agreement or document related hereto; (ii) a material adverse effect on the value of the Assets; (iii) any change arising in connection with earthquakes, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or material worsening or any such hostilities, acts of war, sabotage or terrorism or military actions; or (iii) material changes in applicable Laws or accounting rules.

h. “Person” means any individual, corporation, partnership, limited liability company, association, joint venture, trust or any other entity or organization, including, without limitation, any Governmental Body.

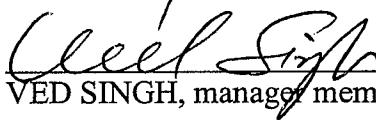
(remainder of page left intentionally blank; signature page follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

BUYER:

HERITAGE BRANDS, LLC

By: 
ALBERT R. NICUSANTI, JR., manager member

By: 
VED SINGH, manager member

SELLER:

DOUGLAS A. LARSON

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

BUYER:

HERITAGE BRANDS, LLC

By: _____
ALBERT R. NICUSANTI, JR., manager member

By: _____
VED SINGH, manager member

SELLER:

DOUGLAS A. LARSON

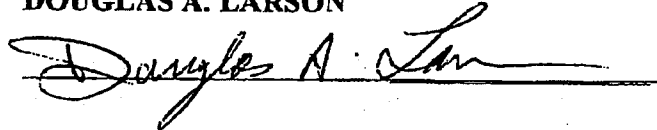
 _____

EXHIBIT A
BILL OF SALE

SCHEDULE 1(a)

All of the Seller's and Pinnacle's (to the extent derived by the Seller as a secured creditor of Pinnacle) right, title and interest and in to all Equipment, Fixtures, and Inventory.

EXHIBIT B

LEASE

061499
Heritage Brands
UCC Sale Agreement

TRADEMARK
REEL: 003534 FRAME: 0194

COPY

VOLUNTARY SURRENDER AND FORECLOSURE AGREEMENT

THIS AGREEMENT is made, entered into and effective as of 6:15 p.m. this 2nd day of April, 2006 ("Transfer Time"), by and among Pinnacle Labs LLC ("Creditor"), Jennico 2, Inc., a Wisconsin corporation ("Debtor"), and Douglas A. Larson ("Larson"), Steven W. Alf and Constance J. Alf (collectively "Alf") (collectively Larson and Alf are referred to as "Guarantors").

RECITALS:

R.1 Debtor, Guarantors and Royal Credit Union ("RCU") are the original counterparties to the Loan Documents described on **Exhibit A** attached hereto ("Loan Documents"). Pursuant to the terms of the Loan Documents, Debtor granted RCU a security interest in the Collateral (as defined in the Loan Documents), including but not limited to Debtor's equipment, inventory, accounts, and general intangibles, as each such term is defined under the Uniform Commercial Code as adopted and in effect in Wisconsin (the "UCC"). The Guarantors guaranteed and/or pledged certain assets to secure some or all of the Obligations (as defined in the Loan Documents). RCU, Debtor and Guarantors also subsequently entered into a series of forbearance agreements and extensions thereof in connection with the Loan Documents and Collateral (the "Forbearance Agreements").

R.2 Pursuant to the terms of a Loan Purchase and Sale Agreement of even date herewith, Creditor purchased from RCU, all of RCU's right, title and interest in, to and under the Loan Documents identified on **Exhibit A-1**, together with all attendant powers, rights and security granted by Debtor and Guarantors in favor of RCU, including, but not limited to, the right to payment of all principal and interest now owing or which may be owing in the future, and all rights, power, authority and obligations of RCU, as mortgagee, pledgee, secured party, assignee, agent, counterparty and otherwise, both express and implied, pursuant to any of the Loan Documents and the Forbearance Agreements.

R.3 Creditor has demanded the payment of the Obligations but Debtor is unable to pay. Debtor is in default under the Loan Documents and Forbearance Agreements, and such defaults have continued and are continuing following expiration of all applicable cure periods.

R.4 Debtor has offered to transfer, surrender and assign all of the Collateral to Creditor to reduce the Obligations, subject to the terms and provisions hereof.

R.5 Alf and RCU entered into a Settlement Agreement bearing even date herewith governing the terms and conditions for payment and satisfaction of the Alf Guaranty of the Obligations ("Alf Settlement").

R.6 Guarantors have agreed to the transfer, surrender and assignment of all of the Collateral to Creditor to reduce the Obligations, subject to the terms and provisions hereof and of the Alf Settlement.

R.7 Creditor deems it advisable to accept the surrender of all of the Collateral, as described herein, and to discharge the Obligations, all upon the terms and conditions herein contained.

TRADEMARK

REEL: 003534 FRAME: 0195

R.8 Alfs have been advised that it is in their best interest and that they should retain legal counsel to represent them in connection with this Surrender Agreement and related transactions and agreements with RCU and Creditor but have declined to pursue or retain legal counsel.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed:

1. Surrender of Assets by Debtor to Creditor.

- A. Pursuant to § 409.609, Wis. Stats., and effective at the Transfer Time or such other date and time as the parties may agree, Debtor hereby transfers, conveys, surrenders and assigns to Creditor, Debtor's business as a going concern and all other of Debtor's assets and property constituting the Collateral, more particularly described on the attached **Exhibit B** (the "Surrendered Collateral"), without limitation and wherever located, owned, or held by Debtor or to which Debtor is entitled on the date hereof, except the Collateral identified on the attached **Exhibit C** (the "Excluded Assets").
- B. To the extent the Surrendered Collateral consists of inventory, accounts and/or general intangibles, such Surrendered Collateral shall consist of all such inventory, accounts and/or general intangibles owned by Debtor as of the Transfer Time.

2. No Assumption of Liabilities of Debtor; Indemnification.

- A. Except as set forth in Paragraph 5 and the Alf Settlement, this voluntary surrender of Creditor's Collateral is in consideration of Creditor agreeing to a full satisfaction of Debtor's Obligations, as set forth in Paragraph 5, hereof.
- B. Creditor shall assume no liability for any obligations owed by Debtor to third parties incurred prior to the surrender or incurred as a result of such surrender, except the liability and obligations identified on the attached **Exhibit D** (the "Assumed Liabilities").

3. Documents of Transfer. The conveyance, transfer, assignment, surrender and delivery of the Surrendered Collateral to Creditor shall be effected by bills of sale, endorsements, assignments, deeds, and other instruments of transfer and conveyance in such form as Creditor shall reasonably request. Debtor shall, at any time, and from time to time after the date hereof, upon the reasonable request of Creditor, execute, acknowledge, and deliver, or shall cause to be done, executed, acknowledged, and delivered, all such further acts, bills of sale, endorsements, assignments, deeds, transfers, conveyances, powers of attorney, and assurances as may be reasonably required for effectively selling, assigning, transferring, granting, conveying, assuring, and confirming to Creditor, or to its successors and assigns, or for aiding and assisting in collecting and reducing to possession any or all of the Surrendered Collateral. If Debtor is

unwilling or, for any reason, unable to take any of the foregoing actions, Debtor hereby authorizes and empowers Creditor (or any duly authorized officer of Creditor) in its own name, or in the name of its nominee, or in the name of, and as attorney hereby irrevocably constituted for, Debtor, to take any and all such action.

4. INTENTIONALLY OMITTED.

5. Extinguishment of Obligations.

- A. "Obligations" as used herein means the Obligations (as defined in the Loan Documents) assigned, transferred and conveyed to Creditor by RCU excluding that portion of the Obligations of Alf as a guarantor that Alf has agreed to pay and satisfy under the Alf Settlement Agreement. This Voluntary Surrender And Foreclosure Agreement and the surrender hereunder does not extinguish, release, satisfy or effect the obligations of Alf under the Alf Settlement Agreement.
- B. Pursuant to Wis. Stat. § 409.620, this Agreement constitutes a proposal by Creditor and consent by Debtor and Guarantors that the transfer of possession hereunder shall constitute a surrender of possession by Debtor and, except as provided herein, acceptance by Creditor of the Collateral in full payment, satisfaction and discharge of the Obligations.
- C. To the extent that the assignment of any contract, license, lease, commitment, or receivable to be assigned to Creditor shall require the consent of any other party to such contract, license, lease, commitment, or receivable, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof. Debtor shall use its best efforts to obtain forthwith the consent of the other party to such contract, license, lease, commitment, or receivable to the assignment thereof to Creditor. If such consent is not obtained within thirty (30) days of the execution of this Agreement, Debtor shall cooperate with Creditor in any reasonable arrangement designed to provide to Creditor or its assigns the benefits under any such contract, license, lease, commitment, or receivable, including enforcement, at the cost and for the benefit of Debtor, of any and all rights of Debtor against the other party thereto arising out of the breach or cancellation by such other party or otherwise.

6. Collection of Accounts Receivable Subsequent to Closing. From and after the date hereof, Creditor shall have the right and authority to collect for the account of Debtor, but for the exclusive benefit of Creditor, all accounts and notes receivable and other items which shall be transferred to Creditor, as provided herein, and to indorse with the name of Debtor checks received on account of such receivables or other items. Nothing herein to the contrary notwithstanding, Debtor shall act as agent for Creditor for the limited purpose of collecting all accounts and notes receivable for the benefit of Creditor. At and after the date hereof, Debtor

shall transfer and deliver to Creditor any cash or other property that Debtor may receive in respect of such accounts receivable or other items.

7. **Hiring of Debtor's Employees.** For purposes of Wis. Stat. § 109.07, to the extent applicable, Creditor agrees to hire substantially all of Debtor's employees; *provided, however*, that such hiring shall not constitute an assumption by Creditor of any liabilities except the Assumed Liabilities.

8. **Debtor's Representations.** Debtor represents and warrants to Creditor as follows:

- A. **Organization and Standing.** Debtor is duly organized, validly existing, and in good standing under the laws of the State of Wisconsin as a limited liability company. Neither the business activities nor the ownership or leasing of property by Debtor requires it to be qualified in any other jurisdiction.
- B. **Taxes.** Debtor has duly filed or properly extended the filing dates for all required federal, state, county, and local tax reports and returns, and such reports and returns are true and correct to the best of Debtor's knowledge. Debtor will file all such reports and returns when due in the future, and will provide copies of such reports and returns to Creditor.
- C. **Absence of Certain Changes.** Except as set forth in any of the Exhibits, Debtor has not: (1) incurred any liability (absolute or contingent), except current liabilities incurred in the ordinary course of business and liabilities under instruments which are listed and described in the Exhibits annexed hereto; (2) discharged or satisfied any lien or encumbrance, or paid any liability (absolute or contingent), other than current liabilities shown on the balance sheet of Debtor as and at May 1, 2006, and current liabilities incurred since the date of such balance sheet in the ordinary course of business; (3) subjected any of its assets to any lien or other encumbrance, except financing in the ordinary course of business; (4) sold or transferred any of its tangible assets or canceled any debts or claims, except in each case in the ordinary course of business; without Creditor's specific knowledge and consent.
- D. **Employment Agreements, Pension, Profit Sharing, and Other Obligations.** Except for the items described or listed in Exhibit E hereto, Debtor is not a party to any written or oral (1) agreement for the employment of any officer or employee, (2) pension, profit sharing, retirement, bonus, insurance, or similar obligation with respect to its employees or others, (3) contract with any labor union, (4) agency or advertising contract which is not terminable on 30 days' (or less) notice, or (5) contract or agreement of any other nature with any person, firm, or corporation, whether or not such obligations are of a legally binding nature or in the nature of informal understandings, other than the contracts and

agreements made in the ordinary course of business which terminate or are terminable at will without penalty by Debtor on or before the date hereof.

- E. **Litigation.** There are no actions, suits, or proceedings pending or, to the knowledge of Debtor, threatened against, by, or affecting Debtor in any court or before any governmental agency, domestic or foreign, except as set forth in **Exhibit F** annexed hereto. Debtor is not subject to any order, writ, injunction, or decree of any court or agency which would prevent the sale of all or any part of Debtor's assets, or has created or would create any lien thereon or would affect or interfere with Debtor's use thereof or rights therein.
- F. **Compliance with Laws.** Debtor, to the best of its knowledge, has complied with all laws, regulations, and orders applicable to its business including but not limited to applicable environmental laws and regulations. Except as noted on **Exhibit G**, annexed hereto, the execution and carrying out of this agreement and compliance with the provisions hereof by Debtor will not violate any provision of law applicable to Debtor and will not conflict with, or result in a breach of, any term, condition, or provision of or constitute a default under Debtor's organizational documents, or any indenture, mortgage, security interest, agreement, or other instrument to which Debtor is a party or by which it may be bound, nor result in the creation of any lien, charge, or encumbrance upon any of Debtor's properties or assets.
- G. **Contracts.** Annexed hereto as **Exhibit H** is a complete and correct list and summary description of all material contracts and agreements, oral or written, to which Debtor is a party at the date hereof, other than those described in other Exhibits and other than arrangements made in the ordinary course of business which terminate or are terminable at will by Debtor on or before the Transfer Time.
- H. **Financial Statements.** All of the financial statements of Debtor heretofore furnished to Creditor by Debtor are accurate and complete in all material respects and fairly present the financial condition and the results of operations of Debtor for the periods covered thereby and as of the relevant dates thereof. Debtor has no knowledge of any material liabilities of any nature not disclosed to the Creditor.

9. **Creditor's Representations.** Creditor represents and warrants to Debtor as follows:

- A. **Organization and Standing.** Creditor is a Minnesota limited liability company validly existing, and in good standing under the laws of the State of Minnesota.

- B. **Compliance with Laws.** Neither the execution and delivery of this Agreement, nor the consummation of the transactions herein contemplated, nor the fulfillment of or compliance with the terms, provisions, and conditions hereof will conflict with, or result in a breach of any term, provision, or condition of Creditor's [Certificate of Incorporation] or Bylaws or of any instrument to which Creditor is a party or by which it may be bound, or constitute (with the giving of notice, or the passage of time, or both) a default under any such instrument.

10. **Debtor's Renunciation of Notice; Creditor's Notice to Secured Parties.**

- A. Pursuant to the provisions of Wis. Stat. § 409.624, Debtor and Guarantors hereby acknowledge that this Agreement is one freely and voluntarily entered into and authenticated after default.
- B. Pursuant to the provisions of Wis. Stat. § 409.624, Debtor and Guarantors hereby waive any rights of notice of mandatory disposition and/or redemption any of them may have with respect to the Surrendered Collateral.

11. **Access to Books, Records, Etc.** From and after the execution of this Agreement, Debtor shall afford to the officers and accredited representatives of Creditor free access to the offices, books, and records of Debtor in order that Creditor may have full opportunity to make such investigation as it desires of the affairs of Debtor.

12. **Conditions Precedent to Consummation of Transaction by Creditor.** The obligations of Creditor are, at its option, subject to the condition that the representations and warranties made by Debtor herein shall be correct, as of the date hereof. Creditor shall be deemed to have relied on each and every such representation and warranty made hereunder by Debtor.

13. **Deliveries to be Made at the Closing.** The following payments and deliveries shall be made at the Transfer Time:

- A. Debtor shall pay to the Creditor an amount equal to Debtor's cash on hand.
- B. Debtor shall deliver the documents required under Paragraph 3 hereof.
- C. In addition to the foregoing payments, the parties shall deliver such other closing documents as shall be reasonably required in order to carry out the terms of this Agreement.

14. **Guarantors.** The Guarantors have been advised of their right to representation by legal counsel in connection with this Surrender Agreement and all related agreements and transactions. The Guarantors consent and agree that the waiver by a Guarantor, if any, of retention of legal counsel shall not affect the validity or enforceability of this Surrender Agreement or any related agreements or transactions.

15. **Releases.** Except for the covenants, agreements, representations, and warranties made herein by the parties and in the assignments and documents to be delivered at the Transfer Time, none of which are hereby released, Debtor and Guarantor each hereby release Creditor, its affiliates, and their respective officers, directors, and employees of and from all claims, demands, and liabilities of any kind or nature from the beginning of the world to the date hereof.

16. **Debtor's Indemnification to Creditor.** Debtor shall be liable to Creditor for any damage or loss arising out of the breach of any representation or warranty or agreement made by it in or pursuant to this Agreement, and, in addition to the provisions of paragraph 2 hereof, shall indemnify Creditor against:

- A. Any liability Creditor may legally incur for taxes arising out of the failure of Debtor to pay the correct amount of its taxes payable, or Debtor's failure to timely pay such taxes or file proper returns;
- B. Any other liability of Debtor to a third party that such third party may attempt to collect from Creditor; and
- C. Nothing herein or in this Agreement shall be interpreted as a guaranty or assurance by Debtor or any Guarantor as to the collectibility of any of the Accounts Receivable of Debtor included in the Surrendered Collateral.

17. **Miscellaneous Provisions.**

- A. **Survival of Representations.** All representations and warranties of the parties hereunder shall survive the execution of this Agreement. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and assigns of Debtor and Creditor.
- B. **Nonperformance of Conditions - Termination.** If either party to this Agreement shall be unable to perform any of the agreements, covenants, or conditions which are of material significance required to be performed or fulfilled by such party, the other party, at its option, may terminate this Agreement by notice given to such defaulting party, and in the event of such termination both parties shall be released from any further obligation or liability hereunder. Nothing herein shall however, affect the validity of the voluntary surrender of the Surrendered Collateral to Creditor.
- C. **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid:

If to Debtor:

Jennico 2, Inc.
Attn: Steve Alf
4404 Anderson Drive
Eau Claire, WI 54703

TRADEMARK

REEL: 003534 FRAME: 0201

And to:

Jennico 2, Inc.
c/o Steve Alf
9057 165th St.
Chippewa Falls, WI 54729

with copies to:

John McDonald
Robins, Kaplan, Miller & Ciresi L.L.P.
2 800 LaSalle Plaza
800 LaSalle Avenue
Minneapolis, MN 55402-2015

If to Creditor:

Pinnacle Labs LLC
134 Columbia Court
Chaska, MN 55318

with copies to:

Johnson, Killen & Seiler, P.A.
800 Wells Fargo Center
230 West Superior Street
Duluth, MN 55802

- D. Entire Agreement - Alteration or Amendment.** This Agreement embodies the entire agreement between the parties and may not be altered or amended except by a writing signed by the parties.
- E. Captions.** The captions are for convenience of the parties only and shall not control or affect the meaning or construction of any provision of this Agreement.
- F. Counterparts; Facsimile.** This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument. Execution of this Agreement by facsimile signature shall be binding on the party transmitting its signature by such method, and shall be deemed to have the same force and effect as an original signature.
- G. Non-waiver.** No delay or failure by a party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

H. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Wisconsin.

I. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors, and assigns.

WITNESS the due execution hereof as of the day and year first above-written.

Debtor:

Jennico 2, Inc.

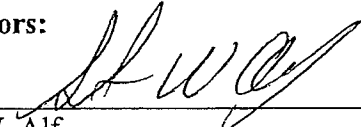
By: 

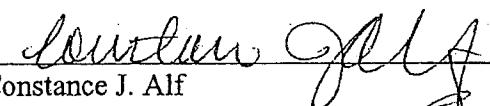
Steven W. Alf

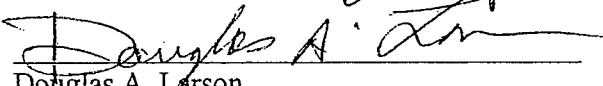
Its: *President*

President

Guarantors:


Steven W. Alf


Constance J. Alf


Douglas A. Larson

TRADEMARK

REEL: 003534 FRAME: 0203

LIST OF EXHIBITS

- A. Loan Documents
- B. Surrendered Collateral
- C. Excluded Collateral
- D. Assumed Liabilities
- E. Employment Agreements
- F. Litigation
- G. Compliance with Law
- H. Contracts

VOLUNTARY SURRENDER AND FORECLOSURE AGREEMENT

EXHIBIT A

1. Business Notes (\$150,000 dated February 1, 2002 and \$2,521,636.65 dated February 22, 2005)
2. Revolving Credit Agreements dated February 22, 2005
3. Term Credit Agreements dated November 20, 2001 and February 22, 2005
4. Collateral Pledge Agreement dated March 27, 2003
5. General Business Security Agreements dated November 30, 2001, February 1, 2002 and November 3, 2003
6. Personal Guaranty of Steven W. Alf and Constance J. Alf dated November 30, 2001
7. Personal Guaranty of Douglas A. Larson dated February 22, 2005
8. Collateral Assignments of First Colony Life Insurance Policies No. 6389833 (on the life of Steven W. Alf) and 6389829 (on the life of Constance J. Alf).

VOLUNTARY SURRENDER AND FORECLOSURE AGREEMENT

EXHIBIT A-1

1. Business Notes (\$150,000 dated February 1, 2002 and \$2,521,636.65 dated February 22, 2005)
2. Revolving Credit Agreements dated February 22, 2005
3. Term Credit Agreements dated November 20, 2001 and February 22, 2005
4. General Business Security Agreements dated November 30, 2001, February 1, 2002 and November 3, 2003
5. Personal Guaranty of Douglas A. Larson dated February 22, 2005
6. Economic Development Fund Loan Agreement dated February 1, 2002
7. Collateral Pledge Agreement dated March 27, 2003

VOLUNTARY SURRENDER AND FORECLOSURE AGREEMENT

EXHIBIT B – Surrendered Collateral

Except as identified on Exhibit C, all of Debtor's equipment (including but not limited to the machinery and equipment identified on the attached schedule), fixtures, inventory (including all goods held for sale, lease or demonstration or to be furnished under contracts of service, goods leased to others, trade-ins and repossessions, raw materials, work in process and materials or supplies used or consumed in Debtor's business), documents relating to inventory, general intangibles, accounts, contract rights, chattel paper and instruments, now owned or hereafter acquired by Debtor, and all additions and accessions to, all spare and repair parts, special tools, equipment and replacements for, all returned or repossessed goods the sale of which gave rise to, and all proceeds and products of the foregoing, wherever located (the "Collateral").

VOLUNTARY SURRENDER AND FORECLOSURE AGREEMENT

EXHIBIT C – Excluded Assets

Leased equipment and licenses, if any, that require the consent of any other party to such lease or license if an attempted assignment would constitute a breach thereof and if such other party does not consent to such assignment.

VOLUNTARY SURRENDER AND FORECLOSURE AGREEMENT

EXHIBIT D – Assumed Liabilities

NONE

VOLUNTARY SURRENDER AND FORECLOSURE AGREEMENT

EXHIBIT E

Employment Agreements, Pension, Profit Sharing and Other Obligations

Accrued Vacation Pay: \$ 4,587.30

Accrued Payroll: \$ 19,107.90

Accrued Severance: \$11,000.00

VOLUNTARY SURRENDER AND FORECLOSURE AGREEMENT

EXHIBIT F – Litigation

<u>Case Number</u>	<u>Filing Date</u>	<u>County Name</u>	<u>Case Status</u>	<u>Caption</u>
<u>2006SC000762</u>	04-07-2006	Eau Claire	Open	Marcott's Trucking LLC vs. Jennico 2
<u>2006CV000247</u>	04-24-2006	Eau Claire	Open	Lofton Label Inc vs. Jennico 2 Inc
<u>2006CV000213</u>	04-07-2006	Eau Claire	Open	K A Steel Chemicals Inc vs. Jennico 2 Inc
<u>2005CV000550</u>	12-21-2005	Ozaukee	Open	DSI Marketing, Inc vs. Jennico 2, Inc
<u>2004CV000160</u>	12-21-2004	Kewaunee	Open	Wisconsin Label Corporation vs. Jennico 2 Inc et al
<u>1996FJ000008</u>	10-25-1996	Eau Claire	Filed Only	Lake State Transport Inc vs Jennico Inc
Case #31 181 E 0033104		American Arbitration Association		Metro Properties Association v. Jennico 2 Inc.
#CVD 7401		Forsyth County		Fmg Personnel Services Inc. v. Jennico 2, Inc.

<u>Case Number</u>	<u>Filing Date</u>	<u>County Name</u>	<u>Case Status</u>	<u>Caption</u>
<u>2006SC000472</u>	02-24-2006	Eau Claire	Closed	DS Electric Supply Inc vs. Jennico 2 Inc
<u>2006SC000330</u>	03-14-2006	Chippewa	Closed	Falls Farm Automation Inc vs. Jennico 2 Inc
<u>2005CV000841</u>	12-28-2005	Eau Claire	Closed	Jesco Industrial Supplies, Inc vs. Jennico 2 inc
<u>2005CV000430</u>	07-15-2005	Eau Claire	Closed	Jobs Plus Inc vs. Jennico 2 Inc
<u>2005CV000409</u>	07-05-2005	Eau Claire	Closed	Sunbelt Rentals Inc vs. Jennico 2 Inc
<u>2004CV000110</u>	02-23-2004	Eau Claire	Closed	Jennico2, Inc. vs. National Distributors
<u>2003SC002595</u>	11-12-2003	Eau Claire	Closed	Marshfield Clinic vs. Darryl J Bertrand & Dianna Bertrand
<u>2003CV000801</u>	12-02-2003	Eau Claire	Closed	Jennico2 Inc vs. Tiro Industries LLC

VOLUNTARY SURRENDER AND FORECLOSURE AGREEMENT

EXHIBIT G – Compliance with Laws

NONE

VOLUNTARY SURRENDER AND FORECLOSURE AGREEMENT

EXHIBIT H – Contracts

Weyerhaeuser- Corrugated carton supplier, invoiced once monthly, based on usage.

Degussa- Had a usage program in place for purchase of raw materials, billed once monthly for actual usage.

Ahold USA Corporate Brands- Private Label supplier agreement duration of one year.

Kroger Inc, Private Label supplier agreement duration of 2 years.

Daymon Associates-Brokerage agreement with commission paid on private label accounts at a specified rate.

American Home Health- Contract Packing agreement with AHH supplying the raw materials and Jennico2, Inc. receiving a tolling charge for labor and overhead.