

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Brandess-Kalt-Aetna Group, Inc.		01/26/2010	CORPORATION: ILLINOIS

**RECEIVING PARTY DATA**

Name:	Omega Acquisition Corporation
Street Address:	1041 S. Carroll Street
City:	Hampstead
State/Country:	MARYLAND
Postal Code:	21074
Entity Type:	CORPORATION: MARYLAND

**PROPERTY NUMBERS Total: 19**

Property Type	Number	Word Mark
Registration Number:	695886	FG 7
Registration Number:	2422605	EDWAL
Registration Number:	2929821	DIGITAL PURSUITS
Registration Number:	2953579	DIGITAL PURSUITS
Registration Number:	1157134	ROKUNAR
Registration Number:	2481351	SP STUDIO SYSTEMS
Registration Number:	2996344	MARSHALL'S
Registration Number:	3131592	SP
Registration Number:	3131591	SP
Registration Number:	2613861	KALT
Registration Number:	952986	PLATINUM
Registration Number:	3209530	MEMORIES BY MARSHALL'S
Registration Number:	1760879	HEICO
Registration Number:	2786476	SQUIRE SERIES

OP \$490.00 695886

Registration Number:	611288	PERMA-WASH
Registration Number:	1030828	AIR-EVAC
Registration Number:	820991	NH-5
Registration Number:	1447006	ILC 90
Registration Number:	2198184	EXCALIBUR

**CORRESPONDENCE DATA**

Fax Number: (410)727-1115  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: 410-727-6600  
Email: hoconnor@rosenbergmartin.com  
Correspondent Name: Hilary J. O'Connor  
Address Line 1: 25 S. Charles Street  
Address Line 2: Suite 2115  
Address Line 4: Baltimore, MARYLAND 21201

NAME OF SUBMITTER:	Hilary J. O'Connor
Signature:	/Hilary J. O'Connor/
Date:	03/08/2010

**Total Attachments: 22**

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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is entered into as of January 21<sup>st</sup>, 2010 (the "Closing Date"), by and among Omega Acquisition Corporation, a Maryland corporation ("Purchaser"); and Brandess-Kalt-Aetna Group, Inc., an Illinois corporation ("Seller"), and Barbara Brandess ("Brandess"), solely for purposes of Article 3 and Article 5, as applicable, and Article 6 hereof.

### BACKGROUND INFORMATION

A. Seller is engaged in the business of the distribution of photographic equipment and supplies (the "Business").

B. Purchaser desires to purchase from Seller certain assets relating to or used in the connection with the Business, on the terms and subject to the conditions of this Agreement, and Seller desires to sell certain assets relating to the Business on the terms and subject to the conditions of this Agreement.

C. Capitalized terms shall have the meanings set forth in Appendix A hereto.

### A G R E E M E N T

In consideration of the foregoing recitals and the respective covenants, agreements, representations and warranties contained herein, the parties, intending to be legally bound, agree as follows:

1. Purchase and Sale of Assets; Assumption of Liabilities.

1.1 Purchase of the Purchased Assets. Subject to the terms and conditions of this Agreement, at the Closing Seller shall sell, transfer, assign and deliver to Purchaser, and Purchaser shall purchase and acquire from Seller, all of Seller's right, title and interest in and to the assets, rights and claims of Seller, including, but not limited to, the following (collectively, the "Purchased Assets"):

- (i) all Inventory;
- (ii) all furniture, furnishings, fixtures, equipment (including manufacturing equipment, tools and dies), computer hardware and software, and information technology systems, office equipment and other items of tangible personal property owned by the Seller;
- (iii) all customer lists, supplier lists, catalogs, technical manuals, price lists, advertising and promotional materials, sales and marketing materials, vendor and customer files, sales and purchasing records, e-mail addresses, web sites, company names, and brand names;

(iv) all telephone and facsimile numbers, including "800" numbers, all telephone directory listings and similar listings pertaining to the Business, and all post office boxes, used in connection with the Business;

(v) all of Seller's rights in and to its agreements with third parties as set forth on Appendix C (the "Assumed Contracts");

(vi) all third party warranties and claims for warranties related to the Purchased Assets which are for the benefit of Seller;

(vii) all Books and Records;

(viii) the goodwill and all other intangible assets of the Business;

(ix) the name, "Brandess-Kalt-Aetna Group", and all other trade names, brand names, trademarks, and logos;

(x) all Intellectual Property associated with the Purchased Assets or otherwise used in connection with the Business; and

(xi) all accounts receivable of Seller, which are aged less than sixty (60) days from the date of shipment of products associated with such accounts receivable ("Receivables"), a list of which is set forth on Appendix E.

1.2 **Excluded Assets.** The Purchased Assets shall not include any of the following assets, rights, and properties of Seller as of the Closing Date (the "Excluded Assets"), all of which shall be retained by Seller:

(i) any cash;

(ii) all prepaid federal and state income tax deposits and refunds of any nature attributable to Seller; the rights of Seller under this Agreement and the other agreements contemplated hereby, including receipt of the Purchase Price;

(iii) all assets, rights, and properties of Seller that relate to Seller's governance and administration, including minute books and shareholder records;

(iv) all of Sellers' tax records and tax returns;

(v) all vehicles purchased by, owned and/or leased by the Seller;

(vi) all accounts receivable of Seller which are aged more than sixty (60) days from the date of shipment of products associated with such accounts receivable ("Excluded Receivables");

(vii) personal property of the Brandess which is located at the premises where the Seller operates the Business, including but not limited to certain art work and a refrigerator in Brandess' office at the premises, a list of which is set forth on Appendix F; and

(viii) the other excluded assets, rights, and properties expressly set forth on Appendix B.

1.3 **Purchased Assets Free of Liens**. All of the Purchased Assets shall be transferred by Seller to Purchaser free and clear of any claims, liens, pledges, options, charges, security interests, restrictions, encumbrances or other rights of third parties, of any kind or nature (“**Encumbrances**”), other than the lien in favor of Keltic Financial Partners II, LP (“**Keltic**”) and any other lien resulting from the Assumed Liabilities set forth on Appendix D (collectively, the “**Permitted Encumbrances**”).

1.4 **Assumed Liabilities**. Based upon and subject to satisfaction of and compliance with, all terms, agreements, warranties, representations, covenants and conditions set forth in, or contemplated by, this Agreement, Buyer hereby assumes as of the Closing Date and to thereafter pay, perform and fully discharge, solely and exclusively those liabilities and obligations of Seller with respect to: (i) the liabilities set forth on Appendix D (the “**Payables**”); and (ii) the liabilities arising under the Assumed Contracts set forth on Appendix C (together with the Payables, the “**Assumed Liabilities**”).

1.5 **Excluded Liabilities**. Purchaser shall not assume or become liable for (and hereby expressly disclaims any undertaking in respect of) the payment or performance of any liabilities of Seller (other than the Assumed Liabilities), Brandess, their affiliates or any predecessor of Seller, whether in connection with the Business or the Purchased Assets or otherwise, of whatever nature, whether known or unknown, contingent or otherwise, and whether currently in existence or arising hereafter, including those liabilities listed on Appendix G attached hereto (collectively, the “**Excluded Liabilities**”).

1.6 **Purchase Price**. Based upon and subject to satisfaction of and compliance with, all terms, agreements, warranties, representations, covenants and conditions set forth in, or contemplated by, this Agreement, the price for the Purchased Assets shall equal (i) the Assumed Liabilities being assumed hereunder in accordance with Section 1.4; *plus* (ii) the debt owed to Keltic, which amount is set forth on the pay-off letter being delivered pursuant to Section 2.2(vii) hereof (the “**Keltic Debt**”) (the aggregate amount being referred to as, the “**Purchase Price**”).

## 2. **The Closing**.

2.1 **Generally**. The closing of the sale and purchase of the Purchased Assets (the “**Closing**”) shall take place simultaneously with the execution of this Agreement at the offices of the Seller, or at such other location mutually agreed upon by the Seller and Purchaser, on the Closing Date.

2.2 **Deliveries by Seller**. At the Closing, Seller shall deliver to Purchaser:

(i) a Bill of Sale in substantially the form attached hereto as Exhibit A (the “**Bill of Sale**”), executed by Seller;

(ii) such instruments of assignment, consent or other assurances, as determined acceptable by Purchaser, of the Assumed Contracts by such third parties (collectively, "Contract Assignments");

(iii) a Consulting Agreement with Seller, on mutually acceptable terms, including non-competition and non-solicitation covenants from both Seller and Brandess, and Seller's obligation to provide Brandess to perform the services under the agreement, executed by Seller and Brandess (the "Consulting Agreement");

(iv) a security agreement, executed by Barbara Brandess and Martin Lebedun, not individually but solely as Co-Trustees of the Barbara Brandess MAREX Trust (the "Trust"), pledging an account at JPMorgan with an approximate value of \$170,000.00 as security for the Seller's indemnity obligations pursuant to Article 6 (the "Security Agreement");

(v) a facility use consent, as contemplated by Section 5.2, acceptable to Purchaser and the landlord of the premises in which the Seller operates the Business;

(vi) releases of any liens and encumbrances on the Purchased Assets (other than the Permitted Encumbrances which shall survive the Closing Date);

(vii) a pay-off letter from Keltic;

(viii) evidence of stockholder approval to the transactions contemplated hereby by the stockholders of Seller in accordance with Seller's charter, bylaws and agreements and Illinois law;

(ix) release of any guaranty whereby Seller has agreed to guaranty the obligations of a third party;

(x) such other instruments of transfer as may be reasonably necessary to transfer to Purchaser all of Seller's right, title and interest in and to the Purchased Assets, all in form and substance reasonably satisfactory to Purchaser and duly executed by Seller.

2.3 **Delivery by Purchaser.** At the Closing, Purchaser shall deliver to Seller or Keltic, as indicated:

(i) an Assumption Agreement in substantially the form attached hereto as Exhibit B (the "Assumption Agreement"), executed by Purchaser;

(ii) the Bill of Sale, executed by Purchaser;

(iii) the Consulting Agreement, executed by Purchaser;

(iv) one year employment agreements, on mutually acceptable terms, with Michael Griffith and Jenny Phillips; and

(v) the Keltic Debt to Keltic, by wire transfer of in immediately available funds to the account set forth on the pay-off letter.

3. **Representations and Warranties of Seller and Brandess.**

As of the Closing Date, Seller and Brandess, jointly and severally, represent and warrant to Purchaser that, except to the extent otherwise set forth on the Disclosure Statement:

3.1 **Organization and Existence.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois. Seller has the requisite corporate power and authority to own the Purchased Assets and operate the Business as presently conducted. Seller is qualified to do business in each jurisdiction in which the conduct of the Business or the ownership of the Purchased Assets makes such qualification necessary.

3.2 **Authorization of Seller.** Seller and Brandess have full power, authority and legal right and capacity to enter into this Agreement, to perform her or its obligations hereunder, and to consummate the transactions contemplated hereby. The execution, delivery and performance by Seller of this Agreement has been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by Seller and constitutes a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

3.3 **Ownership of Equity Securities.** Seller and Brandess represent and warrant that shares of stock of the Seller are owned beneficially and of record free and clear of any Encumbrances, and no other party has any right and/or has waived such right, title or interest, whether legal or equitable, in such share of stock of Seller, as follows:

<b><u>Shareholder</u></b>	<b><u>Number of Shares</u></b>
Barbara Brandess and Martin Lebedun, not individually but solely as Co-Trustees of the Jeffrey Wayne Brandess Marital GST Non-Exempt Trust	607
Muriel Brandess, not individually but solely as Trustee of the Charles Brandess Revocable Trust	264
Laurie Kreamer	129

3.4 **No Conflict or Violation.** Neither the execution and delivery of this Agreement by Seller, nor the consummation of the transactions contemplated hereby, will result in (i) a violation of, or a conflict with, Seller's corporate charter documents (including, without limitation, its Articles of Incorporation or By-Laws) or any other documents, agreements or understandings among the Seller and its stockholders, (ii) a breach of, or a default (or an event which, with notice or lapse of time or both would constitute a default) under or result in the termination of, or accelerate the performance required by, or create a right of termination or acceleration under, any contract or permit to which Seller is a party or by which the Purchased Assets or the Business is bound or affected, (iii) a violation by Seller of any applicable law, statute, code, ordinance, rule, regulation or order whether federal, state, local or other (individually, a "Law"), and collectively, "Laws"), or a violation by Seller of any order, judgment, writ, injunction, decree or award to which Seller is a party or by which the Purchased

Assets or the Business are bound, or (iv) an imposition of any Encumbrance on the Purchased Assets.

3.5 **Consents and Approvals.** Except with respect to the consents being delivered pursuant to Section 2.2(ii), no consent, Permit, approval or authorization of, or declaration, filing, application, transfer or registration with, any governmental or regulatory authority, or any other person or entity is required to be made or obtained by Seller by virtue of its execution, delivery and performance of this Agreement or to avoid the loss of any Permit, or the violation, breach or termination of, or the creation of any Encumbrance on any Purchased Assets pursuant to the terms of, any Law, or to enable Purchaser to own the Purchased Assets and continue the operation of the Business on and after the Closing Date in substantially the same manner as it is presently conducted by Seller.

3.6 **No Actions or Proceedings Related to the Agreements.** Except as set forth in the Disclosure Schedules, there are no pending actions or, to the Knowledge of Seller and Brandess, threatened actions, claims, lawsuits, proceedings, arbitrations, mediations or other disputes (collectively, "Actions"), whether private or public, affecting the Business or the Purchased Assets or which could reasonably be expected to affect the enforceability of this Agreement or Seller's ability to consummate the transactions contemplated by this Agreement.

3.7 **Violation of Applicable Law.** Seller's operation of the Business and ownership and/or use of the Purchased Assets are, to Seller's Knowledge, in material compliance with all Laws (including, but not limited to, environmental Laws). Seller has not received any notice from or otherwise been advised that any governmental authority or other person is claiming any violation or potential violation of any Law.

3.8 **Employee Matters.** Seller has paid all outstanding liabilities and obligations relating to accrued but unpaid wages, commissions, vacation, sick leave, and incentive compensation with respect to the employees of the Company. All federal and state tax liabilities in connection with such employees have been timely paid in full by Seller. There are no pending Actions against the Seller by any current or former employee of the Seller.

3.9 **Books and Records.** Seller has made and kept Books and Records pertaining to the Business, which, in reasonable detail, accurately and fairly reflect, in all material respects, the activities and transactions of the Business, the Purchased Assets, and the financial condition and results of operations of the Business.

3.10 **Financial Statements and Other Information.** Seller has furnished to Purchaser copies of (a) the balance sheets relating to the Business as of November 30, 2009 (the "Balance Sheet Date") and the preceding fiscal year and the related statements of income for such periods (the "Financial Statements"). The Financial Statements are complete and correct in all material respects and have been prepared in accordance with generally accepted accounting principles on a consistent basis during the respective periods, and fairly present in all material respects the financial condition of the Business as of the dates thereof and the results of operations of the Business for the periods covered by the statements of income contained therein. The balance sheets have not been audited, reviewed or compiled by an outside accounting firm. As of the Closing, the Assumed Liabilities are as set forth on Appendix D attached hereto.

3.11 **No Material Adverse Change.** Since the Balance Sheet Date there have been no changes in the condition, financial or otherwise, of the Business, or in its earnings or properties, whether or not arising from transactions in the ordinary course of business, that, individually or in the aggregate, have been, or could reasonably be expected to be, materially adverse to the earnings, properties or condition, financial or otherwise, of the Business. In addition, the Purchased Assets delivered by Seller at the Closing Date are supported by accurate books and records, prepared in accordance with generally accepted accounting principles on a consistent basis, and include activity only in the ordinary course of business.

3.12 **Absence of Certain Changes or Events.** Since the Balance Sheet Date, there has not been any:

- (i) transaction by Seller in connection with the conduct of the Business except in the ordinary course of business;
- (ii) destruction, material damage to, or loss of any material asset of Seller (whether or not covered by insurance) used in the Business;
- (iii) labor dispute or other event or condition of any character materially and adversely affecting the prospects, earnings, properties or condition, financial or otherwise, of the Business;
- (iv) increase in the salary or other compensation payable or to become payable by Seller to any of its officers, consultants, contractors or employees employed in the Business, or the declaration, payment, commitment or obligation of any kind for the payment, by Seller, of a bonus or other additional salary or compensation to any such person except in accordance with past and customary practices;
- (v) amendment or termination of any contract or permit related to either the Purchased Assets or the Business;
- (vi) grant of any preferential rights to purchase any of the assets, properties or rights (including management and control thereof) related to the Business, or requiring the consent of any party to the transfer or assignment of any such assets, properties or rights (including management and control thereof), including without limitation, any discount, prepayment terms or other purchase price or payment adjustment, except for a prepayment from Ritz Camera in the amount of \$8,237.75;
- (vii) creation of any Encumbrance of any kind upon any of the Purchased Assets;
- (viii) agreement by Seller to do any of the things described in clauses (i) through (vii), above;
- (ix) failure to pay or satisfy when due any material obligation of the Business;

(x) citation or notice of threatened citation received for any violations or alleged violations of any Law or by any governmental entity or agency;

(xi) claim incurred for damages or alleged damages for actual or alleged negligence or other tort or breach of contract (whether or not fully covered by insurance);  
or

(xii) other event or condition of any character which will individually or in the aggregate, materially and adversely affect the Purchased Assets or the Business.

3.13 **The Purchased Assets and the Assumed Contracts.**

(i) Seller owns or holds under leases all of the tangible personal properties used in the Business. All such owned properties other than the Excluded Assets and the personal property set forth on Appendix F are included in the Purchased Assets. Seller has good, indefeasible and marketable title to all of the Purchased Assets owned by it, free and clear of all Encumbrances, other than the Permitted Encumbrances. The tangible property, including the furniture, furnishings, fixtures, machinery, equipment and other items of tangible property located at the offices or other facilities of the Business are owned by Seller and are included in the Purchased Assets.

(ii) All of the Assumed Contracts are enforceable, legal, valid and binding obligations of Seller and of the other parties thereto and are in full force and effect. To Seller's Knowledge, there is no default, violation or breach under any Assumed Contract. There are no side deals, arrangements, oral modifications or other amendments that would change, amend or otherwise alter the terms of the Assumed Contracts or the Contract Assignments.

3.14 **Product Liability and Recalls.** There are: (i) no pending or threatened claims, action, suit, inquiry, proceeding or investigation by or before any court or governmental body against Seller involving the Business or the Purchased Assets, relating to any product alleged to have been designed, manufactured or sold by Seller in connection with the Business and alleged to have been defective or improperly designed or manufactured; and (ii) no recall pending or, to Seller's Knowledge, threatened recall or investigation of any product sold by Seller in connection with the Business.

3.15 **Product Warranty.** Except for claims in the ordinary course of business, there are no material product warranty claims currently pending or, to Seller's Knowledge, threatened against Seller. Other than product warranty claims made in the ordinary course of business, there have been no material product warranty claims made against Seller within the last 2 years. The warranty policies in effect for products of the Seller are set forth on the Disclosure Schedule.

3.16 **Permits.** Seller holds, free from all Encumbrances and burdensome restrictions, all permits, licenses, qualifications, approvals, authorizations, orders, consents, and other rights from, and filings with, any governmental authority necessary for the lawful and efficient operation of the Business as presently conducted or the ownership of the Purchased Assets. A complete list of all permits has been furnished to Purchaser.

3.17 **Intellectual Property.** Set forth on the Disclosure Schedule is a complete list of the Intellectual Property Seller owns, has a license for, or otherwise possesses legally enforceable rights to use, make, distribute, display, perform, produce and sell the Intellectual Property necessary and sufficient for the lawful operation of the Business. Other than as set forth on the Disclosure Schedule, there are no outstanding licenses or agreements of any kind (i) relating to Seller's grant of any of its rights, title and interest in and to any Intellectual Property or (ii) requiring Seller to pay any licensing fee or make any royalty payment with respect to any Intellectual Property. Seller has not received any communication alleging that it has violated or, by operating the Business, would violate, any of the proprietary rights of any other person or entity.

3.18 **Keltic Debt.** The Debt owed to Keltic as of the Closing Date is as reflected in the pay-off letter being delivered pursuant to Section 2.2(viii).

3.19 **Inventory and Tangible Personal Property.** Attached to Disclosure Schedules is an accurate list of the current inventory and tangible personal property of the Seller which is being purchased on an AS IS basis, which, based upon the audit conducted by Purchaser and Seller, the Purchaser and Seller have agreed the inventory and tangible personal property being purchased hereunder has a value of \$500,000 (all such inventory, "Inventory").

3.20 **Receivables.** All Receivables are bona-fide, valid, legally enforceable obligations of the account debtor created in the ordinary course of Business and represent goods actually sold and delivered or services actually performed.

3.21 **Taxes.** All federal, state and other tax returns of Seller required by Law to be filed have been duly filed on a timely basis and all amounts set forth thereon have been paid in full. All tax returns filed or to be filed by Seller are correct and complete in all material respects. All taxes which are due and payable by Seller have been paid in full and all deposits required by Law to be made by Seller with respect to any such taxes have been duly made.

3.22 **Environmental Matters.** To Seller's Knowledge, Seller and the Business are in compliance in all material respects with all Environmental, Health and Safety Requirements and Seller has obtained and has caused the Business to be in compliance with all necessary Permits related thereto. Neither Seller nor its predecessors or affiliates have received any written or oral notice, report or other information regarding any actual or alleged violation of Environmental, Health, and Safety Requirements, or any Liabilities, including any investigatory, remedial or corrective obligations, relating to any of them or their facilities arising under Environmental, Health, and Safety Requirements. In accordance with Section 6, Seller and Brandess shall retain and indemnify Purchaser for all liabilities relating to environmental matters, which result from the pre-Closing operation of the Business.

3.23 **No Liabilities.** Except with respect to the Excluded Liabilities and the Assumed Liabilities, Seller has no liabilities or obligations, secured or unsecured, whether accrued, absolute, contingent, or otherwise. The Excluded Liabilities are in the amounts set forth on Appendix G.

3.24 **Solvency.** Prior to any distribution or dividend or liquidation by the Seller to or on behalf of the shareholders of Seller, Seller agrees to satisfy any outstanding debts, including to the entities set forth on Appendix G, of the Seller with the proceeds. As of the Closing, the Assumed Liabilities are as set forth on Appendix D attached hereto.

4. **Representations and Warranties of Purchaser.**

Purchaser represents and warrants to Seller and Brandess that the following statements are true and correct:

4.1 **Organization and Existence of Purchaser.** Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Maryland. Purchaser has all requisite corporate power to enter into and perform this Agreement and the transactions contemplated hereby.

4.2 **Authority of Purchaser.** Purchaser has full power, authority and legal right and capacity to enter into this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution, delivery and performance by Purchaser of this Agreement has been duly authorized by the directors and shareholders of Purchaser and no further corporate action is necessary on the part of Purchaser to make this Agreement valid and binding upon Purchaser in accordance with its terms. This Agreement has been duly executed and delivered by Purchaser and constitutes the valid and binding obligation of Purchaser, enforceable against it in accordance with its terms.

4.3 **No Conflict or Violation.** Neither the execution and delivery of this Agreement by Purchaser, nor the consummation of the transactions contemplated hereby, will result in (i) a violation of, or a conflict with, Purchaser's charter documents (including, without limitation, its Articles of Incorporation or Bylaws), (ii) a violation by Purchaser of any Laws, (iii) a violation by Purchaser of any order, judgment, writ, injunction, decree or award to which Purchaser is a party, or (iv) a breach of, or a default (or an event which, with notice or lapse of time or both would constitute a default) under or result in the termination of, or accelerate the performance required by, or create a right of termination or acceleration under, any contract to which Purchaser is a party.

4.4 **Consents and Approvals.** No consent, permit, approval or authorization of, or declaration, filing, application, transfer or registration with, any governmental or regulatory authority, or any other person or entity is required to be made or obtained by Purchaser by virtue of its execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

4.5 **No Actions or Proceedings Related to the Agreements.** There is no pending or threatened Action affecting Purchaser which could reasonably be expected to affect the enforceability of this Agreement or which could reasonably be expected to materially and adversely affect Purchaser's ability to consummate the transactions contemplated by, or to perform its obligations under, this Agreement.

5. **Covenants.**

5.1 **Collection of Receivables.** Should Purchaser receive payments on account of Excluded Receivables, Purchaser agrees to immediately assign and pay over such amounts directly to Seller.

5.2 **Use of Premises.** Brandess shall cause the landlord for the current premises of Seller from which the Business operates to execute an agreement that permits Purchaser to remain in the premises for four (4) weeks following the Closing Date (the "**Holdover Period**") without incurring any rent or other payment obligation with respect to such use or occupancy of the premises, *provided that* Purchaser shall pay rent in the amount of \$10,000 per week (or such pro-rated amount) in which Purchased Assets remain in such premises beyond the Holdover Period. Landlord shall represent that it has no claim against the Purchaser for the pre-Closing period and shall obtain a waiver from its lender for any guarantees of the premises by Seller.

5.3 **Employees.** The Seller shall be responsible for all severance, bonus or other payments due to its employees.

5.4 **Change of Name.** After the Closing Date, Seller shall not use or employ in any manner directly or indirectly the name "Brandess-Kalt-Aetna Group", or any variation thereof, and Seller shall take all necessary action to change its name to a name dissimilar to "Brandess-Kalt-Aetna Group" within five (5) business days after the Closing Date.

5.5 **Keltic Lien Release.** As soon as practicable following the Closing Date and the receipt by Keltic of the Keltic Debt, Seller or Purchaser shall file a UCC-3 termination statement releasing Keltic's lien on the assets of Seller.

5.6 **Commission Payments.** The Purchaser hereby covenants and agrees to pay the commissions due to Seller under the Consulting Agreement in accordance with the terms of the Consulting Agreement and expressly acknowledges that neither it nor any of its affiliates have any right of set-off against such commissions other than with respect to Excluded Liabilities set forth on Appendix G as expressly set forth therein.

5.7 **Payment of Excluded Liabilities.** Seller agrees to use (and to cause Brandess to use) the commissions earned and paid pursuant to the Consulting Agreement solely to (i) discharge the Excluded Liabilities set forth on Appendix G, until such liabilities have been satisfied; and (ii) reimburse Brandess for any personal funds advanced to satisfy any Excluded Liability set forth on Appendix G.

5.8 **Enforcement of Security Agreement.** Seller acknowledges that Purchaser at its option and in addition to the set-off rights in the Consulting Agreement may enforce the Security Agreement and liquidate such amount of the Collateral as necessary to reimburse Purchaser for amounts it pays to any Excluded Liability and any liability of Seller which has not been disclosed to Purchaser.

6. **Indemnification.**

6.1 **Survival of Representations and Warranties and Covenants.** All representations and warranties and covenants contained in this Agreement shall survive the Closing through the date which is twelve (12) months after the Closing Date, except for the representations relating to taxes, product warranty, product liability and environmental matters, which shall survive for the applicable statutes of limitation for such matters, which shall survive until satisfied in full or any disputes thereunder have been resolved in full.

6.2 **Indemnification by Seller.** Seller and Brandess, jointly and severally, shall indemnify, defend and hold harmless Purchaser, and Purchaser's respective affiliates, officers, directors, partners, agents, employees, attorneys and representatives, and their respective heirs, executors, administrators, successors and assigns (collectively, "**Purchaser Indemnified Parties**"), and shall reimburse each Purchaser Indemnified Party, pursuant to Section 6.4 below, for any claim, demand, loss, liability, damage or expense, including without limitation, interest, penalties and reasonable attorneys', accountants' and experts' fees and costs of investigation incurred as a result thereof ("**Damages**"), resulting from, arising from or relating to the following: (i) the Excluded Liabilities; (ii) the operation of the Business or products produced, on or prior to the Closing Date; (iii) any breach or default in the performance by Seller of any covenant or agreement of Seller contained herein, or in any Schedule or Exhibit hereto; (iv) any breach of any warranty or any representation made by Seller herein, or in any Schedule or Exhibit hereto; and (v) any liability arising out of any and all Actions, demands, judgments, costs and expenses incident to any of the foregoing.

6.3 **Indemnification by Purchaser.** Purchaser shall indemnify, defend and hold harmless Seller and Brandess and all of Seller's and Brandess' affiliates and their respective shareholders, officers, directors, agents, employees, attorneys and representatives, and their respective heirs, executors, administrators, successors and assigns (collectively, "**Seller Indemnified Parties**"), and shall reimburse each Seller Indemnified Party, pursuant to Section 6.4 below, for any Damages resulting from, arising from or relating to the following: (i) the operation of the Business or products produced, on or after the Closing Date; (ii) any breach or default in the performance by Purchaser of any covenant or agreement of Purchaser contained herein, or in any Schedule or Exhibit hereto; (iv) any breach of any warranty or representation made by Purchaser herein, or in any Schedule or Exhibit hereto; and (v) any liability arising out of any and all actions, demands, judgments, costs and expenses incident to any of the foregoing.

6.4 **Claims for Indemnity.** Whenever a claim for Damages shall arise (each such claim, an "**Indemnification Claim**") for which one party (the "**Indemnified Party**") shall be entitled to indemnification hereunder, the Indemnified Party shall notify the other party hereto (the "**Indemnifying Party**") in writing within 15 days of the first receipt of notice of such claim, and, in any event, within such shorter period as may be necessary for the Indemnifying Party to take appropriate action to resist such claim. Such notice shall specify all facts known to the Indemnified Party giving rise to such indemnity rights and shall estimate the amount of the liability arising therefrom. The right of the Indemnified Party to indemnification and the estimated amount thereof, as set forth in this notice, shall be deemed agreed to by the Indemnifying Party unless, within 30 days after the receipt of such notice, the Indemnifying Party shall notify the Indemnified Party in writing that it disputes the right of the Indemnified

Party to indemnification. If the Indemnified Party shall be duly notified of such dispute, the parties shall attempt to settle and compromise the same.

6.5 **Defense of Claimed Breaches.** For purposes of this Section, any assertion of fact and/or law by a third party which, if true, would constitute a breach of a representation or warranty made by a party to this Agreement shall, on the date that assertion is made, immediately invoke that party's obligation to protect, defend, hold harmless and indemnify the other party to this Agreement.

6.6 **Limited Recourse.** The obligations of Brandess under this Article 6 are non-recourse to Brandess, except with respect to the right of set-off granted to Purchaser pursuant to Paragraph 9 of the Consulting Agreement. Purchaser hereby acknowledges that neither it nor any of its affiliates or successors has any right to enforce an Indemnification Claim against Brandess other than as provided in Paragraph 9 of the Consulting Agreement.

7. **Miscellaneous.**

7.1 **Third Party Consents.** Nothing in this Agreement is intended to constitute an agreement to assign any asset, right or claim if such assignment, without the consent of another party, would be ineffective or would constitute a breach of an agreement relating thereto or otherwise adversely affect the value of such asset, right or claim such that Purchaser would not receive all of the value thereof. To the extent any such third party consent is required with respect to any asset, right or claim, then Seller shall provide to Purchaser the benefits thereunder, including without limitation, enforcement thereof for the benefit of Purchaser.

7.2 **Further Assurances.** Each party hereto shall, at any time on or after the Closing Date, execute, acknowledge and deliver any further assignments and other assurances, documents and instruments of transfer, reasonably requested by the other party, and will take any other action that may be requested by the other party, for the purpose of assigning, transferring, granting, conveying and confirming to Purchaser, or reducing to possession, any or all property to be conveyed and transferred by this Agreement. Without limiting the generality of the foregoing, from and after the Closing Date, Seller shall (i) promptly, and in any event within three (3) business days, transfer or convey to Purchaser any cash or other property which may come into Seller's possession relating to the Purchased Assets or the Business and (ii) promptly execute all assignments agreements necessary to transfer to Purchaser any and all rights in the Intellectual Property.

7.3 **No Third Party Beneficiaries.** The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto, and their respective successors and permitted assigns, and no provision of this Agreement shall be construed as conferring any rights on any third party or parties.

7.4 **Taxes.** Seller shall pay all sales and use taxes and transfer fees, if any, arising out of the transfer of the Purchased Assets. Purchaser shall not be responsible for any payroll, excise, income, business, occupation, withholding or similar tax, or any taxes of any kind, related to any period up to and including the Closing Date.

7.5 **Expenses.** Each of the parties shall pay all costs and expenses incurred by it or on its behalf in connection with this Agreement and the transactions contemplated hereby, including, without limiting the generality of the foregoing, fees and expenses of its own financial consultants, accountants and counsel, except as provided for on Appendix D attached hereto.

7.6 **Entire Agreement.** All agreements, covenants, representations and warranties, express or implied, oral and written, of the parties with regard to the subject matter of this Agreement are contained in this Agreement, the Schedules, Appendices and Exhibits hereto, the documents referred to herein or the documents or instruments implementing the provisions hereof.

7.7 **Governing Law; Exclusive Jurisdiction.** The validity, construction and performance of this Agreement, and any Action arising out of or relating to this Agreement, shall be governed by the Laws of the State of Maryland, without regard to the Laws as to choice or conflict of Laws. The parties agree that the state courts of the State of Maryland and, if the jurisdictional prerequisites exist, the United States District Court for the District of Maryland, shall have sole and exclusive jurisdiction and venue to hear and determine any dispute or controversy arising under or concerning this Agreement. The parties each accept, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts and waive any objection as to venue, and any defense for forum non convenience.

7.8 **Interpretation.** The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against any party. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not affect the construction or interpretation of any of the provisions of this Agreement.

7.9 **Waiver and Amendment.** This Agreement may be amended, supplemented or modified only through an express written instrument signed by both parties and their respective successors and permitted assigns. Any party may specifically and expressly waive in writing any portion of this Agreement or any breach hereof, but only to the extent such provision is for the benefit of the waiving party, and no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. The consent by one party to any act for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or similar acts in the future, and no forbearance by a party to seek a remedy for noncompliance or breach by the other party shall be construed as a waiver of any right or remedy with respect to such noncompliance or breach.

7.10 **Assignment.** Neither this Agreement nor any interest herein or right hereunder shall be assignable (voluntarily, involuntarily, by judicial process, operation of Law or otherwise), in whole or in part, except to Purchaser's affiliate(s), by any party without the prior written consent of the other party. Any attempt at such an assignment without such consent shall be void. Each of the terms, provisions and obligations of this Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the parties and their respective legal representatives, successors and permitted assigns.

7.11 **Notices.** All notices, requests, demands and other communications made under this Agreement shall be in writing, correctly addressed to the recipient at the addresses set forth below and shall be deemed to have been duly given (i) upon delivery, if served personally on the party to whom notice is to be given, (ii) upon transmittal, if sent by facsimile during the recipient's normal business hours and receipt is confirmed; (iii) at the beginning of the next business day if sent by facsimile outside the recipient's normal business hours and receipt is confirmed, or (iv) on the date or receipt, refusal or non-delivery indicated on the receipt if mailed to the party to whom notice is to be given by first class mail, registered or certified, postage prepaid, or by air courier:

If to Seller  
or Brandess:

Brandess-Kalt-Aetna Group, Inc.  
2528 Augusta Way  
Highland Park, Illinois 60035  
Attn: Barbara Brandess, President  
Facsimile:

If to Purchaser:

Omega Acquisition Corporation  
1041 S. Carroll Street  
Hampstead, Maryland 21074  
Attn: Cindy Wesolowski  
Facsimile: 410-374-3184

Each party shall give written notice of a change of address in accordance with the provisions of this Section 7.11 and after such notice of change has been received, any subsequent notice shall be given to such party in the manner described at such new address.

7.12 **Severability.** Each provision of this Agreement is intended to be severable. Should any provision of this Agreement or the application thereof be judicially declared to be or become illegal, invalid, unenforceable or void, the remainder of this Agreement shall continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto.

7.13 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

[Signature page follows.]

IN WITNESS WHEREOF, each of the parties has executed this Agreement as of the date first above written.

**"PURCHASER"**

OMEGA ACQUISITION  
CORPORATION

By: *Cindy Wesolowski*  
Cindy Wesolowski, President

**"SELLER"**

BRANDESS-KALT-AETNA  
GROUP, INC.

By: \_\_\_\_\_  
Barbara Brandess, President

**"BRANDESS"**

\_\_\_\_\_  
Barbara Brandess, Individually, and solely  
for purposes of Article 3 and Article 5, as  
applicable, and Article 6 hereof

IN WITNESS WHEREOF, each of the parties has executed this Agreement as of the date first above written.

**"PURCHASER"**

**OMEGA ACQUISITION  
CORPORATION**

By: \_\_\_\_\_  
Cindy Wesolowski, President

**"SELLER"**

**BRANDESS-KALT-AETNA  
GROUP, INC.**

By: Barbara Brandess  
Barbara Brandess, President

**"BRANDESS"**

Barbara Brandess  
Barbara Brandess, Individually, and solely  
for purposes of Article 3 and Article 5, as  
applicable, and Article 6 hereof

## APPENDIX A

### Definitions

For the purposes of this Agreement, the following terms shall have the following definitions:

“**Actions**” is defined in Section 3.5.

“**Affiliates**” means a person or entity that controls, is controlled by, or is under common control with the person or entity specified, provided however, that the exercise of control is solely by virtue of equity ownership.

“**Agreement**” is defined in the Preamble.

“**Assumed Contracts**” is defined in Section 1.1(vii).

“**Assumed Liabilities**” is defined in Section 1.4.

“**Assumption Agreement**” is defined in Section 2(B)(ii).

“**Balance Sheet**” is defined in Section 3.8.

“**Bill of Sale**” is defined in Section 2(A)(i).

“**Books and Records**” means all books, ledgers, files, records, manuals and other materials (in any form or medium) maintained by Seller with respect to the Business or the Purchased Assets, including, but not limited to, any and all correspondence, personnel records, purchasing records, credit information, vendor lists, operation and quality control records and procedures, research and development files, intellectual property disclosures and documentation, accounting records and systems, litigation files, sales order files, purchase order files, advertising materials, catalogs, price lists, brochures, mailing lists, customer lists, distribution lists, sales and promotional materials and all other records utilized by Seller in connection with the Business and all computer hardware, software and data files necessary to access or review or continue to compile or utilize any of the foregoing.

“**Business**” is defined in the Background Information.

“**Cash Payment**” is defined in Section 1.5(i).

“**Closing**” is defined in Section 2.

“**Closing Date**” is defined in the preamble.

“**Consulting Agreement**” is defined in Section 2.2(iii).

“**Damages**” is defined in Section 6.2.

“**Excluded Liabilities**” is defined in Section 1.5.

“**Encumbrances**” is defined in Section 1.3.

“**Environmental, Health, and Safety Requirements**” means, as amended and as now and hereafter in effect, all federal, state, local, and foreign statutes, regulations, ordinances, and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations, and all common law concerning public health and safety, worker health and safety, pollution, or protection of the environment, including, without limitation, all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances, or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise, or radiation.

“**Excluded Assets**” is defined in Section 1.2.

“**Excluded Liabilities**” is defined in Section 1.4.

“**Financial Statements**” is defined in Section 3.8.

“**Holdover Period**” is defined in Section 5.2.

“**Indemnified Party**” is defined in Section 6.4.

“**Indemnifying Party**” is defined in Section 6.4.

“**Intellectual Property**” means all copyrights, patents, trademarks, service marks, trade names, corporate names, and Internet domain names whether registered or not, and any applications for and registrations of the foregoing and all processes, formulae, methods, designs, schematics, drawings, patterns, trade secrets, inventions, technology, know-how, including but not limited to proprietary formulas for products sold including chemistry and related products, and all other tangible or intangible proprietary information and intellectual property necessary and sufficient for the lawful operation of the Business as presently conducted.

“**Inventory**” is defined in Section 3.16.

“**Keltic**” is defined in Section 1.3.

“**Keltic Debt**” shall mean the total liability of the Seller to Keltic as of the Closing Date as set forth on the pay-off letter being delivered to Purchaser in accordance with Section 2.2(vii).

“**Knowledge**” means actual knowledge of the Seller and Brandess after reasonable inquiry and investigation concerning the subject matter.

“**Law(s)**” is defined in Section 3.3.

“**Brandess**” is defined in the Preamble.

“Payables” is defined in Section 1.4.

“Permitted Encumbrances” is defined in Section 1.3.

“Purchase Price” is defined in Section 1.6.

“Purchased Assets” is defined in Section 1.1.

“Purchaser” is defined in the Preamble.

“Purchaser Indemnified Parties” is defined in Section 6.2.

“Seller” is defined in the Preamble.

“Seller Indemnified Parties” is defined in Section 6.3.

## DISCLOSURE SCHEDULE

3.6 Benzene suit dismissal - Attached

3.14 Warranty policy - Attached

3.15 IP - Attached

3.16 Inventory list - Attached

3.17 Licensing fee to Pelican

**Intellectual Property**

**Acufine Chemicals**

**Ethol Chemicals**

**Edwal Chemicals**

**Heico Chemicals**

**Marshall Photo Oils**

**Ganz Speed-Ez-Els**

**Pelican Soft-Side Bags by BKA**

**Pelican Photo Accessories by BKA**

**SP Studio Lighting**