

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
Antico Ignis, Inc.	FORMERLY Barbeques Galore, Inc.	09/12/2008	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Grand Home Holdings, Inc.		
Street Address:	3838 West Miller Road		
City:	Garland		
State/Country:	TEXAS		
Postal Code:	75041		
Entity Type:	CORPORATION: TEXAS		
PROPERTY NUMBERS Total: 7			
Property Type	Number	Word Mark	
Registration Number:	1277963	COOK-ON	
Registration Number:	2072024	BAR-B-CHEF	
Registration Number:	1734638	CAPT N COOK	
Registration Number:	1805958	TURBO	
Registration Number:	1815278	BARBEQUES GALORE	
Registration Number:	2031773		
Registration Number:	2104154	BAR-B-CHEF	
CORRESPONDENCE DATA			
Fax Number:	(949)459-7772		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	(949) 363 3128		
Email:	jamante@franchiselawteam.com		
Correspondent Name:	Jennie L. Amante		
Address Line 1:	30021 Tomas		

OP \$190.00 1277963

Address Line 2: Suite 260
Address Line 4: Rancho Santa Margari, CALIFORNIA 92688

ATTORNEY DOCKET NUMBER:	BBQ
NAME OF SUBMITTER:	Jennie L. Amante
Signature:	/Jennie L. Amante/
Date:	12/14/2010

Total Attachments: 176

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1 This Stipulation (the "Stipulation") is entered into by and between Grand Home
2 Holdings, Inc., on the one hand, and Amy L. Goldman, solely in her capacity as the Chapter 7
3 trustee (the "Trustee") appointed in the bankruptcy case of Antico Ignis, Inc. *aka* Barbeques
4 Galore, Inc. (the "Debtor" or "Seller"), on the other hand, with regard to the following facts:

5 A. On September 11, 2008, the Bankruptcy Court entered the "Sale Approval Order
6 re Emergency Motion for Order (A) Approving Sale Procedures and Bid Protections, Including
7 Break Up Fee, In Connection With Sale of Substantially All Assets Free and Clear of All Liens,
8 Claims, Encumbrances and Interests; (B) Scheduling an Auction for and Hearing to Approve the
9 Sale; (C) Approving Notice of Respective Dates, Times, and Places for Auction and For Hearing
10 on Approval of Sale; (D) Authorizing the Debtor to (1) Implement an Agency Agreement with
11 Liquidation Agent, (2) Conduct Store Closing Sales at the Debtor's Locations and (3) Sell Assets
12 at Such Locations Free and Clear of All Liens, Claims and Encumbrances; (D) Establishing
13 Procedures in Connection with the Assumption and Assignment or Rejection of Leases for
14 Nonresidential Real Property; and (E) Granting Related Relief" (the "Sale Order").

15 B. Pursuant to the Sale Order, the Debtor sold substantially all of its assets in
16 accordance with an Asset Purchase Agreement dated September 8, 2008 and executed on
17 September 12, 2008 (the "APA") in a transaction pursuant to, among others, Section 363 of 11
18 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), to Grand Home Holdings, Inc. ("Grand
19 Home" or, as defined under the APA, the "Purchaser").

20 C. Pursuant to the APA, "Purchased Intellectual Property" is defined as follows:
21 "to the extent of Seller's interest therein and to the extent transferable, all North American
22 trademarks, service marks, patents, copyrights, trade secrets and applications therefor, and other
23 proprietary information, including all distribution rights and goodwill for the product brands
24 owned by the Seller (the "Brands") and the name "Barbeques Galore"." Page 6 of the APA.

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1 D. Schedule 5.8 to the APA purportedly lists all material trademarks owned by the
2 Debtor. Grand Home has recently discovered that the seven (7) trademarks (the "Omitted
3 Trademarks") listed below were owned by the Debtor and intended to be sold to Grand Home
4 pursuant to the APA but were inadvertently omitted from Schedule 5.8:

Serial No.	Trademark	Status
73390532	COOK-ON	Registered
74260006	BAR-B-CHEF	Registered
74260756	CAPT N COOK	Registered
74262778	TURBO	Registered
74380656	BARBEQUES GALORE ¹	Registered
74731250	(Design Only)	Registered
75067257	BAR-B-CHEF	Registered

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11 E. Because the Omitted Trademarks are not specifically listed on Schedule 5.8, the
12 assignment of these marks has not been filed with the United States Patent and Trademark Office
13 (the "USTPO"). Therefore, Grand Home has requested that the Trustee stipulate to amend the
14 APA in order to amend Schedule 5.8 to include the Omitted Trademarks, which will facilitate the
15 recording of the assignment with the USPTO.

16 F. Paragraph 54 of the Sale Order provides that "The terms and provisions of the
17 [APA] ..., together with the terms and provisions of this [Sale] Order, shall be binding in all
18 respects upon, and shall inure to the benefit of, the Debtor, its estate, any trustee appointed in this
19 case (whether in Chapter 7 or Chapter 11), its creditors, the Purchaser and its respective
20 affiliates, successors and assigns, and any affected third parties, including but not limited to, any
21 and all persons asserting a claim against or interest in the Debtor's estate or the Purchased
22 Assets." Section 13.9 of the APA provides, in relevant part, as follows: "... [I]n the event that
23 Seller's Chapter 11 case should be converted to Chapter 7, the obligations of Seller hereunder
24 shall be binding upon such trustee or successor estate and such trustee or successor Chapter 7
25 estate shall have all rights of Seller hereunder."

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28 ¹ While the "Barbeques Galore" trademark for Class 11 (as it relates to retail products) was included on
Schedule 5.8, the "Barbeques Galore" trademark for Class 42 (as it relates to store services, conducting a
business, etc. was omitted).

1 G. Paragraph 53 of the Sale Order provides, in relevant part, as follows: "The [APA]
2 may be modified, amended, or supplemented by the parties thereto ... and the Debtor is
3 authorized to execute any additional documents reasonably necessary to consummate the
4 transactions set forth in the [APA] ..." Section 13.5 of the APA provides, in relevant part as
5 follows, "This Agreement can be amended, supplemented or changed ... only by written
6 instrument making specific reference to this Agreement signed by the party against whom
7 enforcement of any such amendment, supplement, modification or waiver is sought."

8 H. In exchange for the Trustee's time and expense related to the preparation and
9 execution of this Stipulation and another one filed concurrently herewith, Grand Home has
10 agreed to pay \$1,000 to the Trustee upon Bankruptcy Court approval of this Stipulation.

11 **NOW, THEREFORE**, subject to Bankruptcy Court approval of this Stipulation, it is
12 hereby stipulated and agreed by and between the parties through their counsel of record as
13 follows:

14 1. The APA is hereby ratified, confirmed, and reaffirmed, as well as supplemented
15 and amended by this Stipulation to add the Omitted Trademarks listed below to Schedule 5.8 of
16 the APA:

No.	Serial No.	Trademark	Status
16	73390532	COOK-ON	Registered
17	74260006	BAR-B-CHEF	Registered
18	74260756	CAPT N COOK	Registered
19	74262778	TURBO	Registered
20	74380656	BARBEQUES GALORE	Registered
21	74731250	(Design Only)	Registered
22	75067257	BAR-B-CHEF	Registered

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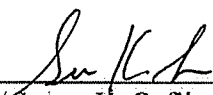
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2. This Stipulation is subject to entry of an Order by the Bankruptcy Court approving its terms in their entirety. Upon entry of that Order, this Stipulation shall automatically take effect. The Bankruptcy Court shall retain exclusive jurisdiction to resolve any disputes or other matters with respect to this Stipulation.

SO STIPULATED:

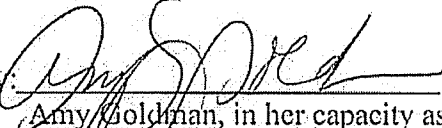
Dated: December 6, 2010

Grand Home Holdings, Inc.

By: 
Susan K. Seflin
Wolf, Rifkin, Shapiro, Schulman
& Rabkin, LLP
Attorneys for Purchaser Grand Home
Holdings, Inc.

Dated: December 6, 2010

Amy Goldman, Chapter 7 Trustee

By: 
Amy Goldman, in her capacity as
Chapter 7 Trustee of the Bankruptcy Estate of
Antico Ignis, Inc.

In re:
Antico Ignis, Inc. (fka Barbeques Galore, Inc.)

CHAPTER 7
Debtor(s). CASE NUMBER 1:08-bk-16036-MT

NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
11400 West Olympic Blvd., Ninth Floor
Los Angeles, CA 90064-1565

A true and correct copy of the foregoing document described **STIPULATION AMENDING ASSET PURCHASE AGREEMENT DATED SEPTEMBER 8, 2008 AND EXECUTED SEPTEMBER 12, 2008** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On December 7, 2010 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- Melody G Anderson manderson@hemar.com
- Todd M Arnold tma@lnrb.com
- Robert R Barnes bbarnes@allenmatkins.com
- Steven L. Bergh sbregh@pnbd.com
- Sandor T Boxer tedb@tedboxer.com
- Michael D Breslauer mbreslauer@swsslaw.com, wyones@swsslaw.com
- Eric C Cotton hsmith@ddr.com
- Jeffrey W Dulberg jdulberg@pszjlaw.com
- Richard T Egger Richard.egger@bbklaw.com
- Richard W Esterkin resterkin@morganlewis.com
- Jesse S Finlayson jfinlayson@fwtrl.com, wmills@fwtrl.com
- Barry S Glaser bglaser@swjlaw.com
- Amy L Goldman goldman@lbbsslaw.com
- Amy L Goldman (TR) stern@lbbsslaw.com, agoldman@ecf.epiqsystems.com
- Irving M Gross img@lnrb.com, angela@lnrb.com
- Asa S Hami ahami@morganlewis.com
- Michael J Heyman michael.heyman@kigates.com
- Gil Hopenstand gh@lnrb.com
- Brian D Huben brian.huben@kattenlaw.com, carole.levine@kattenlaw.com, donna.carolo@kattenlaw.com, laura.nefsky@kattenlaw.com
- Jaw W Hurst jay.hurst@oag.state.tx.us, sherri.simpson@oag.state.tx.us
- Talin Keshishian tkeshishian@ebg-law.com, ecf@ebg-law.com
- Angie Lee alee@llkattorneys.com
- Craig G Margulies cmargulies@margulies-law.com
- Frank F McGinn ffm@bostonbusinesslaw.com
- Marlene M Moffitt mmoffitt@allenmatkins.com
- Kevin P Montee kmontee@hornersinger.com
- Randall P Mroczynski randym@cookseylaw.com
- Kevin M Newman knewman@menterlaw.com
- Daniel H Reiss dhr@lnrb.com
- Lizanne Reynolds lizanne.reynolds@cco.sccgov.org
- Martha E Romero Romero@mromerolawfirm.com
- Robert M. Saunders rsaunders@pszjlaw.com
- Sblend Sblendorio sas@hogefenton.com
- Scott Schiff sas@soukup-schiff.com
- Nathan A Schultz Schultz@gtlaw.com
- Karen J Stapleton Karen.Stapleton@loudoun.gov

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

January 2009

F 9013-3.1

TRADEMARK
REEL: 004433 FRAME: 0011

In re: Antico Ignis, Inc. (fka Barbeques Galore, Inc.)	CHAPTER 7 Debtor(s). CASE NUMBER 1:08-bk-16036-MT
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- Wayne R Terry wterry@hemar-rousso.com
- Glenn C Thompson gthompson@lawhms.com
- James A Timko jtimko@allenmatkins.com
- United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov
- Madeleine C Wanslee mwanslee@gustlaw.com, rstein@gustlaw.com
- Gilbert B Weisman notices@becket-lee.com
- Rebecca J Winthrop winthrop@ballardspahr.com

Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served):

On _____ I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on December 7, 2010 I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

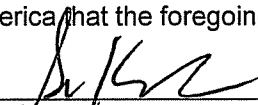
*Via Personal Service: The Honorable Maureen Tighe

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

December 7, 2010
Date

Susan Sefflin
Type Name


Signature

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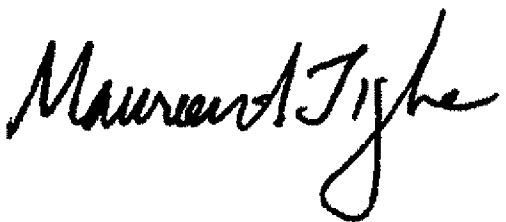
This Court, having considered the *Stipulation Amending Asset Purchase Agreement Dated September 8, 2008 And Executed September 12, 2008* (the "Stipulation") entered into by and between Grand Home Holdings, Inc. ("**Grand Home**"), on the one hand, and Amy L. Goldman, solely in her capacity as the Chapter 7 trustee (the "**Trustee**") appointed in the bankruptcy case of Antico Ignis, Inc. *aka* Barbeques Galore, Inc. (the "**Debtor**" or "**Seller**"), on the other hand, hereby orders as follows:

1. The Stipulation is approved in its entirety.
2. The Asset Purchase Agreement dated September 8, 2008 and executed on September 12, 2008 (the "**APA**") entered into between the Debtor and Grand Home is hereby ratified, confirmed, and reaffirmed, as well as supplemented and amended to add the following trademarks to Schedule 5.8 of the APA:

No.	Serial No.	Trademark	Status
16	73390532	COOK-ON	Registered
17	74260006	BAR-B-CHEF	Registered
18	74260756	CAPT N COOK	Registered
19	74262778	TURBO	Registered
20	74380656	BARBEQUES GALORE	Registered
21	74731250	(Design Only)	Registered
22	75067257	BAR-B-CHEF	Registered

3. The Bankruptcy Court shall retain exclusive jurisdiction to resolve any disputes or other matters with respect to the Stipulation or this Order.

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DATED: December 13, 2010

United States Bankruptcy Judge

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
11400 West Olympic Boulevard, Ninth Floor
Los Angeles, California 90064-1565

A true and correct copy of the foregoing document described as **ORDER APPROVING "STIPULATION AMENDING ASSET PURCHASE AGREEMENT DATED SEPTEMBER 8, 2008 AND EXECUTED SEPTEMBER 12, 2008"** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On _____, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Service information continued on attached page

II. **SERVED BY U.S. MAIL OR OVERNIGHT MAIL**(indicate method for each person or entity served):

On _____, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

III. **SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on December 7, 2010,

I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

12/07/2010
Date

Susan Sefflin
Type Name

/s/
Signature

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SERVICE LIST

III. SERVED BY PERSONAL DELIVERY OR EMAIL:

***Served Via Personal Delivery:**

The Honorable Maureen A. Tighe
U.S. Bankruptcy Court
Central District of California
21041 Burbank Blvd., Suite 325 / Courtroom 302
Woodland Hills, California 91367

*** Served Via Email**

- Dan Reiss dhr@lnbyb.com

I. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

- Melody G Anderson manderson@hemar.com
- Todd M Arnold tma@lnbrb.com
- Robert R Barnes bbarnes@allenmatkins.com
- Steven L. Bergh sbregh@pnbd.com
- Sandor T Boxer tedb@tedboxer.com
- Michael D Breslauer mbreslauer@swsslw.com, wyones@swsslw.com
- Eric C Cotton hsmith@ddr.com
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- Barry S Glaser bglaser@swjlaw.com
- Amy L Goldman goldman@lbbslaw.com
- Amy L Goldman (TR) stern@lbbslaw.com, agoldman@ecf.epiqsystems.com
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- Kevin M Newman knewman@menterlaw.com
- Daniel H Reiss dhr@lnbrb.com
- Lizanne Reynolds lizanne.reynolds@cco.sccgov.org
- Martha E Romero Romero@mromerolawfirm.com
- Robert M. Saunders rsaunders@pszjlaw.com
- Sblend Sblendorio sas@hogefernton.com
- Scott Schiff sas@soukup-schiff.com
- Nathan A Schultz Schultz@gtlaw.com
- Karen J Stapleton Karen.Stapleton@loudoun.gov
- Wayne R Terry wterry@hemar-rousso.com
- Glenn C Thompson gthompson@iawhms.com
- James A Timko jtimko@allenmatkins.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov
- Madeleine C Wanslee mwanslee@gustlaw.com, rstein@gustlaw.com
- Gilbert B Weisman notices@becket-lee.com
- Rebecca J Winthrop winthrop@ballardspahr.com

1 Jeffrey W. Dulberg (CA Bar No. 181200)
2 Robert M. Saunders (CA Bar No. 226172)
3 PACHULSKI STANG ZIEHL & JONES LLP
4 10100 Santa Monica Blvd., 11th Floor
5 Los Angeles, California 90067-4100
6 Telephone: 310/277-6910
7 Facsimile: 310/201-0760
8 E-mail: jdulberg@pszjlaw.com
9 rsaunders@pszjlaw.com

6 [Proposed] Attorneys for Barbeques Galore, Inc.,
7 Debtor and Debtor in Possession

8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SAN FERNANDO VALLEY DIVISION**

11 In re:

12 **BARBEQUES GALORE, INC.**, a
13 California corporation,¹

14 Debtor.

Case No.: 1-08-bk-16036-MT

Chapter 11

15 **SUBMISSION OF EXECUTED ASSET PURCHASE**
16 **AGREEMENT DATED SEPTEMBER 12, 2008 FOR**
17 **PRIVATE SALE PURSUANT TO SALE**
18 **APPROVAL ORDER**

19 Sale Approval Hearing:

20 Date: September 11, 2008

21 Time: 3:00 p.m. (Pacific)

22 Place: Courtroom 302, 21041 Burbank Boulevard
23 Woodland Hills, CA 91367

24 Judge: The Hon. Maureen A. Tighe

25 Barbeques Galore, Inc., chapter 11 debtor and debtor in possession herein (the "Debtor"), hereby
26 submits its executed Asset Purchase Agreement dated September 12, 2008 (including schedules and
27 exhibits) (the "Agreement") in connection with the sale of substantially all of the assets of the
28 Debtor authorized by the Sale Approval Order entered by the Bankruptcy Court on September 11,
2008 (the "Sale Approval Order"). A true and correct copy of the Agreement is attached hereto as
Exhibit "A". Parties may view or download an electronic version of this document by visiting
www.pszjlaw.com/clients-creditors.html (click on "Barbeques Galore" link, go to "Sale" box).

¹ The Debtor is a California corporation, Fed. Tax I.D. No. 95-3431529. The Debtor's address is 2173 Salk Avenue, Suite 200, Carlsbad, California 92008.

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Dated: September 12, 2008

PACHULSKI STANG ZIEHL & JONES LLP

By /s/ Jeffrey W. Dulberg
Jeffrey W. Dulberg
[Proposed] Attorneys for Barbeques
Galore, Inc., Debtor and Debtor in
Possession

Mailing Date: September 12, 2008

EXHIBIT A

ASSET PURCHASE AGREEMENT

AMONG

BARBEQUES GALORE INC. &

GRAND HOME HOLDINGS INC.

Dated as of September 8, 2008

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- A [Reserved]
- B Bill of Sale
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- F [OMITTED]
- G [OMITTED]
- H [OMITTED]

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of September 8, 2008 (this "Agreement"), among Barbeques Galore, Inc., a California corporation ("Seller"), and Grand Homes Holdings Inc., a Delaware corporation ("Purchaser").

WITNESSETH:

WHEREAS, Seller is a debtor in possession under title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), and filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code on August 15, 2008, in the United States Bankruptcy Court for the Central District of California (the "Bankruptcy Court"), Case No. 1-08-bk-16036-MT (the "Bankruptcy Case");

WHEREAS, the Seller presently conducts the Business;

WHEREAS, Purchaser desires to purchase substantially all the assets and assume certain lease and other obligations of the Seller with the present intention of operating the Business as a going concern;

WHEREAS, Seller desires to sell, transfer and assign to Purchaser, and Purchaser desires to purchase, acquire and assume from Seller, pursuant to sections 105, 363 and 365 of the Bankruptcy Code, all of the Purchased Assets and Assumed Liabilities, all as more specifically provided herein;

WHEREAS, certain terms used in this Agreement are defined in Section 1.1;

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements hereinafter contained, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Certain Definitions.

For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Agent" means Purchaser or Sub-Agent, as provided in the Agency Agreement, as may be amended by the parties thereto from time to time.

"Applicable Lease Marketing Period Termination Date" means, with respect to each Real Property Lease, the earliest to occur of (a) the Designation Deadline, (b) the tenth (10th) day following the date upon which Purchaser delivers to Seller a Property Dropout Notice with respect to such Real Property Lease; and (c) the fifteenth (15th) day following the date upon which Purchaser delivers to Seller a Lease Assumption Notice with respect to a Real Property Lease.

"Cure Amount" means, with respect to each Purchased Lease, Purchased Contract, Designee Lease or Designee Contract, amounts payable which are attributable to periods prior to the Closing Date in order to cure any defaults existing as of the date of assumption in respect of such Purchased Lease, Purchased Contract, Designee Lease or Designee Contracts, as approved by the Bankruptcy Court.

"Business" means the business of the Seller.

"Business Day" means any day of the year on which national banking institutions in California are open to the public for conducting business and are not required or authorized to close.

"Contract" means any contract, commitment, indenture, note, bond, lease, license or other agreement, written or oral, relating to the assets of any Seller or the operation of the Business to which any Seller is a party or by which any of such Seller's assets are bound.

"Cost Value" means the cost as reflected on Seller's inventory report as of September 1, 2008 (the "Cost File");

"Creditors Committee" means the official committee of unsecured creditors appointed in the Bankruptcy Case.

"Defective Merchandise" means any item of Merchandise that is defective or otherwise not saleable in the ordinary course because it is worn, scratched, broken, faded, torn, mismatched, tailored or affected by other similar defenses rendering it not first quality.

"Deposit" means One Million Five Hundred Thousand Dollars (\$1,500,000).

"Designation Deadline" means 5:00 p.m., California time, on December 13, 2008, or such later date as the Court may order pursuant to a motion to be heard on or before November 30, 2008.

"Designee Contract" means a Contract to which any Seller is a party that is assumed and assigned by Seller to a Person other than the Purchaser pursuant to Section 2.5(a).

"Designee Lease" means a Real Property Lease that is assumed and assigned by Seller to a Person other than the Purchaser pursuant to Section 2.5(a).

"Disposition Rights" means the right to direct the disposition of the GOB Assets.

"Documents" means all files, documents, instruments, papers, books, reports, records, tapes, microfilms, photographs, letters, budgets, forecasts, ledgers, journals, title policies, customer lists, regulatory filings, operating data and plans, technical documentation (design specifications, functional requirements, operating instructions, logic manuals, flow charts, etc.), user documentation (installation guides, user manuals, training materials, release notes, working papers, etc.), marketing documentation (sales brochures, flyers, pamphlets, web pages, etc.), and other similar materials related to the Business and the Purchased Assets in each case whether or not in electronic form.

"Employee Benefit Plan" means each "employee benefit plan" (as defined in Section 3(3) of ERISA, including multiemployer plans within the meaning of Section 3(37) of ERISA), and each other stock purchase, stock option, severance, employment, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, employee loan and all other employee benefit plans, agreements, programs, policies or other arrangements, whether or not subject to ERISA, sponsored, maintained, contributed or entered into by any of the Seller under which any current or former Employee has any present or future right to benefits.

"Employees" means all individuals, as of the date hereof, whether or not actively at work as of the date hereof, who are employed by Seller having significant responsibility related to the Business, together with individuals who are hired in respect of the Business after the date hereof and prior to the Closing as permitted by the provisions hereof, provided, however, for the avoidance of doubt, in each case excluding any employee on long-term disability.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Contract" means those Contracts set forth on Schedule 1.1(e) (as the same may be updated by Purchaser from time to time pursuant to Section 2.5(a)).

"Excluded Leases" means those Real Property Leases set forth on Schedule 1.1(f) as the same may be updated by Purchaser from time to time pursuant to Section 2.5(a).

"Furniture and Equipment" means all furniture, fixtures, furnishings, equipment, vehicles, leasehold improvements, and other tangible personal property owned by the Seller in the conduct of the Business, including all such artwork, desks, chairs, tables, Hardware, copiers, telephone lines and numbers, telecopy machines and other telecommunication equipment, cubicles and miscellaneous office furnishings and supplies.

"GOB Assets" means all owned Merchandise and Furniture and Equipment located at Store Closing Locations.

"GOB Sales" means those "store closing" or other similarly themed sales conducted by Agent pursuant to the Agency Agreement and the Sale Order at the Store Closing Locations.

"Governmental Body" means any government or governmental or regulatory body thereof, or political subdivision thereof, whether foreign, federal, state, or local, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private).

"Hardware" means any and all computer and computer-related hardware, including, but not limited to, computers, file servers, facsimile servers, scanners, color printers, laser printers and networks.

"Intellectual Property" means, to the extent of Seller's interest therein and to the extent transferable, (i) patents and patentable inventions, discoveries, innovations, improvements, invention disclosures and applications therefor, including divisions, continuations, continuations-in-part and renewal applications, and including renewals, extensions and reissues (collectively, "Patents"), (ii) registered and unregistered trademarks, service marks, brand names, domain names, certification marks, collective marks, logos, symbols, trade dress, trade names, assumed names, fictitious names, d/b/a's, and all other indicia of origin or quality, together with the goodwill associated therewith, and all applications, registrations and renewals thereof (collectively, "Trademarks"), (iii) published and unpublished works of authorship, whether copyrightable or not, including without limitation databases and any other

compilations of information and applications and registrations thereof, and all derivative works, renewals, extensions, restorations and reversions thereof (collectively, "Copyrights"), (iv) computer programs, software, firmware, middleware, user interface, source code, object code, databases and compilations, including any and all data and collections of data whether machine readable or otherwise, algorithms, development tools, servers, and the like, flow charts, models and methodologies and other work product used to design, plan, organize and develop any of the foregoing, and user manuals and other training documentation related to any of the foregoing (collectively, "Software"), and (v) trade secrets, confidential information, show-how and know-how, including without limitation processes, ideas, concepts, schematics, business methods and programs, formulae, drawings, prototypes, prototypes, models, designs, customer information, and lists, such as customer, manufacturer and supplier lists (collectively, "Trade Secrets"), and all intellectual property rights arising from or in respect of each of the foregoing.

"Intellectual Property Licenses" means Intellectual Property licenses.

"Inventory" means all supplies, finished goods, saleable or other items of inventory owned by Seller or used in connection with the Business, including, but not limited to, Merchandise and Defective Merchandise, wherever located.

"Knowledge of Seller" means the knowledge, after reasonable inquiry, of those officers and directors of Seller and its Subsidiaries identified on Schedule 1.1(g).

"Law" means any federal, state, local or foreign law, statute, code, ordinance, rule or regulation.

"Leased Premises" means the real property demised by the Real Property Leases including, without limitation, and along with, any buildings or other improvements located thereon or forming a part thereof and leased pursuant thereto, and all easements, licenses, rights and appurtenances relating to the foregoing.

"Legal Proceeding" means any judicial, administrative or arbitral actions, suits, proceedings (public or private) or claims or any proceedings by or before a Governmental Body.

"Lender" means Seller's secured lender.

"Liability" means any debt, liability or obligation (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), and including all costs and expenses relating thereto.

"Lien" means any mortgage, lien, security interest, charge, hypothecation, deed of trust, pledge, right of use, first offer or refusal, easement, servitude, restrictive covenant, lease, sublease, covenant, right of way, option, claim, restriction, encroachment or encumbrance of any kind.

"Material Adverse Effect" means (i) a material adverse effect on the business, assets, properties, results of operations or financial condition of the Seller (taken as a whole), or (ii) a material adverse effect on the ability of the Seller (taken as a whole) to consummate the transactions contemplated by this Agreement or perform their obligations under this Agreement, other than an effect resulting solely from an Excluded Matter.

"Excluded Matter" means any one or more of the following: (i) the effect of any change in the United States or foreign economies or securities or financial markets in general; (ii) the effect of

any change that generally affects any industry in which Seller operates except to the extent such change has a disproportionate effect on the Seller; (iii) the effect of any change arising in connection with earthquakes, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or material worsening of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date hereof; (iv) the effect of any action taken by Purchaser or its Affiliates with respect to the transactions contemplated hereby or with respect to Seller, including such Seller's employees; (v) the effect of any changes in applicable Laws or accounting rules; or (vi) any effect resulting from the public announcement of this Agreement, compliance with terms of this Agreement or the consummation of the transactions contemplated by this Agreement; or (vii) any effect resulting from the filing of the Bankruptcy Case and reasonably anticipated effects thereof.

"Merchandise" means all finished goods saleable inventory owned by Seller, held for sale in the Ordinary Course of Business and located at the Leased Premises as of the Closing Date. Notwithstanding the foregoing, "Merchandise" shall not include: (1) goods which belong to sublessees, licensees, department lessees, or concessionaires of Seller; (2) goods held by Seller on memo, on consignment, or as bailee; (3) Furniture and Equipment; (4) goods returned by the consumer after the Closing Date; and (5) Defective Merchandise.

"Order" means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Body.

"Ordinary Course of Business" means the ordinary and usual course of normal day-to-day operations of the Business through the date of this Agreement consistent with past practice, including as to frequency and amount.

"Permits" means any approvals, authorizations, consents, licenses, permits or certificates of a Governmental Body.

"Person" means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

"Petition Date" means August 15, 2008.

"Proceeds" means the aggregate of (a) the total amount (in dollars) received on all sales of Merchandise and Furniture and Equipment owned by Seller made under the Agency Agreement, exclusive of sales Taxes; and (b) all proceeds of Seller's insurance for loss or damage to Merchandise or Furniture and Equipment owned by Seller or loss of cash arising from events occurring prior to the Applicable Lease Marketing Period Termination Date. Proceeds shall also include any and all proceeds received by Purchaser or Agent from the disposition, in a commercially reasonable manner, of unsold Merchandise and Furniture and Equipment owned by Seller prior to the Applicable Lease Marketing Period Termination Date, whether through salvage, bulk sale or otherwise.

"Products" means any and all products developed, manufactured, marketed or sold by the Seller, whether work in progress or in final form.

"Purchased Contracts" means those Contracts set forth on Schedule 1.1(h) as the same may be updated by Purchaser from time to time pursuant to Section 2.5(a) and which are assumed and assigned to Purchaser on or prior to the Designation Deadline.

"Purchased Intellectual Property" means, to the extent of Seller's interest therein and to the extent transferable, all North American trademarks, service marks, patents, copyrights, trade secrets and applications therefor, and other proprietary information, including all distribution rights and goodwill for the product brands owned by the Seller (the "Brands") and the name "Barbeques Galore".

"Purchased Leases" means those Real Property Leases designated as such on Schedule 2.5(a) as the same may be updated by Purchaser from time to time and which are assumed and assigned to Purchaser pursuant to the Sale Order together with all rights and interests of the Seller relating thereto, whether held directly by the Seller or indirectly through an agent or nominee (including but not limited to all security deposits, purchase options, renewal options, rights of first refusal, reconveyance rights and expansion rights, if any, and to the extent the following are assignable and only to the extent of Seller's interest therein, fixtures, systems, equipment and items of personal property of the Seller attached or appurtenant thereto, all buildings and improvements thereon or forming a part thereof and all easements, licenses, rights and appurtenances thereto and associated with such Purchased Leases).

"Real Estate Occupancy Expenses" means only those per diem expenses to the extent actually incurred of operating each location subject to a Real Property Lease in the amounts shown on Schedule 1.1(i) attached hereto.

"Real Property Leases" means the leases and other instruments and agreements for the Leased Premises which are set forth on Schedule 1.1(j), together with (and as amended, modified, supplemented or restated by) all amendments, modifications, supplements, including consents and evidence of commencement dates (to the extent such information is in the possession of the Seller), and restatements thereto or thereof (if any), and all rights and interests of the Seller relating thereto, whether held directly by the Seller or indirectly through an agent or nominee (including but not limited to all security deposits, purchase options, renewal options, rights of first refusal, reconveyance rights and expansion rights, if any).

"Sale Hearing" means the hearing(s) conducted by the Bankruptcy Court pursuant to which the Sale Order is entered.

"Sale Motion" means the Debtor's Motion pursuant to Section 105(a), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 6004 and 6006 for approval of this Agreement.

"Sale Order" shall be an order or orders of the Bankruptcy Court in form and substance acceptable to Purchaser and Seller approving this Agreement and all of the terms and conditions hereof, and approving and authorizing the Seller to consummate the transactions contemplated hereby.

"Subsidiary" means any Person of which a majority of the outstanding voting securities or other voting equity interests are owned, directly or indirectly, by Seller.

"Sub-Agent" means a Hilco Merchant Resources, LLC, with a principal place of business at 5 Revere Drive, Suite 206, Northbrook, IL 60062.

"Taxes" means (i) all federal, state, local or foreign taxes, charges or other assessments, including, without limitation, all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, and (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (i).

“Tax Return” means all returns, declarations, reports, estimates, information returns and statements required to be filed in respect of any Taxes, and any amendments thereof.

“Technology” means, to the extent of Seller’s interest therein and to the extent transferable, collectively, all designs, formulae, algorithms, procedures, methods, techniques, ideas, know-how, research and development, technical data, programs, subroutines, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship and other similar materials, and all recordings, graphs, drawings, reports, analyses, and other writings, and other tangible embodiments of the foregoing, in any form whether or not specifically listed herein, and all related technology, that are used in, incorporated in, embodied in, displayed by or relate to, or are used or useful in the design, development, reproduction, maintenance or modification of, any of the Products.

Section 1.2 Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, the following terms have meanings set forth in the sections indicated:

<u>Term</u>	<u>Section</u>
Agency Agreement	Section 10.1(c)
Agreement	Introduction
Asset Acquisition Statement	Section 12.3
Assumed Liabilities	Section 2.3
Bankruptcy Case	Recitals
Bankruptcy Code	Recitals
Bankruptcy Court	Recitals
Business Employee List	Section 9.1(a)
Closing	Section 4.1
Closing Date	Section 4.1
Copyrights	Section 1.1
Excluded Assets	Section 2.2
Excluded Liabilities	Section 2.4
Excluded Matter	Section 1.1
Global Inventory Adjustment	Schedule 3.2(b)
GOB Assets	Section 2.5(c)
Inventory Adjustment Amount	Section 3.2(a)
Inventory Taking	Schedule 3.2(b)
Inventory Target	Section 3.2(a)
Lease Assumption Notice	Section 2.5(e)(iii)
Seller	Introduction
Patents	Section 1.1
Property Dropout Notice	Section 2.5(e)(i)
Purchase Price	Section 3.1
Purchased Assets	Section 2.1
Purchased Cash	Section 3.3
Purchaser	Introduction
Purchaser Documents	Section 6.2
Remaining Purchase Price	Error! Reference source not found.
Required Consents	Section 10.1(d)
Revised Statements	Section 12.3
Section	Section 1.3(a)
Seller	Recitals
Seller Documents	Section 5.2

Term

Seller
Software
Store Closing Locations
Termination Date
Trade Secrets
Trademarks
Transfer Taxes
Transferred Employees
Weekly Sale Reconciliation

Section

Recitals
Section 1.1
Section 2.5(c)
Section 4.4(a)
Section 1.1
Section 1.1
Section 12.1
Section 9.1(b)
Schedule 3.2(b)

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Section 1.3 Other Definitional and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

Dollars. Any reference in this Agreement to \$ shall mean U.S. dollars.

Exhibits/Schedules. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any matter or item disclosed on one schedule shall be deemed to have been disclosed on each other schedule to the extent it is reasonably apparent on the face of such disclosure (and not by reference to the underlying documents) that such disclosed matter is relevant to each other schedule. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number shall include the plural and vice versa.

Headings. The provision of a Table of Contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Section" are to the corresponding Section of this Agreement unless otherwise specified.

Herein. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

Including. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

Section References. All section references contained herein, unless otherwise specified, shall refer to sections of this Agreement.

(b) The parties hereto have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

ARTICLE II

PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

Section 2.1 Purchase and Sale of Assets. On the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchaser shall purchase, acquire and accept from the Seller,

and Seller shall sell, transfer, assign, convey and deliver to Purchaser, all of the Seller's right, title and interest in, to and under the Purchased Assets free and clear to the extent provided in the Sale Order of any and all liabilities, obligations and Liens, other than the Assumed Liabilities. "Purchased Assets" shall mean the following assets of the Seller (but excluding Excluded Assets) as of the Closing to the extent related to, used by or used in the Business or specifically identified below:

- (a) all accounts receivable of the Seller other than any accounts receivable arising solely out of or in connection with any Excluded Contract;
- (b) all Inventory, other than the Inventory constituting part of the GOB Assets;
- (c) rights to acquire goods in transit or at port, and/or previously produced, in each case to the extent the same were, prior to the Petition Date, scheduled to be delivered to the Seller;
- (d) all deposits (including customer deposits and security deposits for rent, electricity, telephone or otherwise) and prepaid charges and expenses of the Seller, other than any deposits or prepaid charges and expenses paid in connection with or relating to any Excluded Assets;
- (e) all rights of the Seller under each Purchased Lease and Designee Lease, together with all improvements, fixtures and other appurtenances thereto and rights in respect thereof;
- (f) the Disposition Rights;
- (g) the Purchased Cash;
- (h) the Furniture and Equipment at any Leased Premises in respect of any Purchased Lease;
- (i) the Purchased Intellectual Property;
- (j) the Purchased Contracts, including all insurance policies relating to the Purchased Assets and any rights to proceeds in respect of such insurance policies where the related incident or event of loss occurred after the Closing Date;
- (k) all Documents that are used in, held for use in or intended to be used in, or that arise primarily out of, the Business, including Documents relating to Products, services, marketing, advertising, promotional materials, Purchased Intellectual Property, personnel files for Transferred Employees and all files, customer files and documents (including credit information), supplier lists, records, literature and correspondence, whether or not physically located on any of the premises referred to in clause (d) above, but excluding (i) personnel files for Employees of the Seller who are not Transferred Employees, (ii) such files as may be required under applicable Law regarding employee privacy, (iii) Documents in respect of the Excluded Assets which each Seller is not permitted to transfer pursuant to any confidentiality agreement, (iv) any Documents primarily related to or are required to realize the benefits of any Excluded Assets (provided that Purchaser shall be provided with copies of such Documents), (v) any Documents filed in or relating primarily to the Bankruptcy Case, and (vi) any Documents consisting of attorney-client privileged correspondence or material; provided, however, that the Seller shall have continued access to such documents as are reasonably necessary to administer the Bankruptcy Case;
- (l) to the extent of Seller's interest therein, all Permits used in, held for use in or intended to be used in the Business to the extent assignable;

(m) all supplies owned by the Seller and used in, held for use in or intended to be used in connection with the Business;

(n) all rights of Seller under non-disclosure or confidentiality, non-compete, or non-solicitation agreements with employees and agents of Seller or with third parties to the extent relating to the Business or the Purchased Assets (or any portion thereof), to the extent assignable, and including, to the extent assignable, all rights, benefits and claims under any agreements regarding confidentiality and restrictions on the conduct of third parties with respect to competition with the Business and solicitation of employees of the Business entered into in connection with the Bankruptcy Case;

(o) all rights of the Seller under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers and contractors to the extent relating to Products sold, or services provided, to the Seller or to the extent affecting or relating to any Purchased Assets, to the extent assignable other than any warranties, representations and guarantees pertaining to any Excluded Assets;

(p) except as provided herein and in Section 2.2(i), any rights, claims or causes of action in respect of the assets, properties, conduct or management of business or operations of such Seller arising out of events occurring on or prior to the Closing Date; however, of the Seller's rights, claims or causes of action that arise under chapter 5 of the Bankruptcy Code, Seller hereby transfers to Purchaser only those rights, claims or causes of action (referred to hereinafter as the "Included Non-Insider Preference Actions") that: (1) may be commenced under 11 U.S.C. § 547(b) with respect to transfers described in subsection (4)(A) of that Section; and (2) relate to transfers of money or other property that are within 75 days of the date of (x) the invoice for goods and services to which the payment relates, or if no invoice was issued, (y) from the last date the goods or services to which the payment relates were received by the Seller. The following hypothetical demonstrates the application of the foregoing: An invoice was issued by a non-insider creditor/vendor to Seller on March 15, 2008 for \$100,000. Payment for this invoice was made in two installments within 90 days of the commencement of the Seller's bankruptcy case on August 15, 2008: the first payment of \$60,000 was received on May 20, 2008 and the second payment of \$40,000 was received on July 31, 2008. Under this Agreement and for purposes of illustration, Purchaser will have purchased the right, claim or cause of action under 11 U.S.C. § 547(b), if any, to recover the first payment of \$60,000 made on May 20, 2008; however, the right, claim or cause of action to recover the second payment of \$40,000 under 11 U.S.C. § 547(b) would not be transferred to Purchaser;

(q) all causes of action of any kind or nature that arose prior to the Closing Date against Purchaser and/or any of its affiliates other than causes of action in connection with or relating to this agreement; and

(r) all goodwill and, to the extent of Seller's interest therein and to the extent transferable, other intangible assets associated with the Business, including customer and supplier lists and the goodwill associated with the Purchased Intellectual Property.

Section 2.2 Excluded Assets. Nothing herein contained shall be deemed to sell, transfer, assign or convey the Excluded Assets to Purchaser, and the Seller shall retain all right, title and interest to, in and under the Excluded Assets. "Excluded Assets" shall mean all interests and rights of the Seller in and to the matters and assets excluded from the definition of Purchased Assets in Section 2.1 above and the following assets:

(a) all cash, cash equivalents, bank deposits or similar cash items of Seller and its Subsidiaries, other than Purchased Cash;

(b) all of the Seller's deposits or prepaid charges and expenses paid in connection with or relating to any Excluded Assets;

(c) the Excluded Leases;

(d) any contracts, leases, licenses and other agreements (oral or written) not expressly assumed herein;

(e) the GOB Assets at the Store Closing Locations as of the Closing Date;

(f) books and records that the Seller is required by Law to retain including, without limitation, Tax Returns, financial statements, and corporate or other entity filings; provided, however, that Purchaser shall have the right to make copies of any portions of such retained books and records that relate to the Business and constitute Purchased Assets.

(g) any claim, right or interest of any Seller in or to any refund, rebate, abatement or other recovery for Taxes, together with any interest due thereon or penalty rebate arising therefrom, for any Tax period (or portion thereof) ending on or before the Closing Date; and

(h) all rights to proceeds under insurance policies relating to the assets, properties, business or operations of the Seller where the related incident or event of loss occurred prior to the Closing Date.

(i) the Seller's rights, claims or causes of action that arise under chapter 5 of the Bankruptcy Code, except the "Included Non-Insider Preference Actions" any and all rights, claims or causes of action of Seller against any current or former directors, officers, attorneys, accountants, investment bankers and other professionals, employees, lenders, equity holders, investors or agents of Seller sounding in tort or otherwise arising under the Bankruptcy Code or applicable state law and any directors and officers insurance policies.

(j)

Section 2.3 Assumption of Liabilities. On the terms and subject to the conditions set forth in this Agreement, at the Closing Purchaser shall assume, effective as of the Closing Date, and shall timely perform and discharge in accordance with their respective terms, the following Liabilities (collectively, the "Assumed Liabilities"); provided, however, that in no event shall the Assumed Liabilities include any of the Excluded Liabilities:

(a) all Liabilities of the Seller arising after the Closing Date under the Purchased Contracts and the Purchased Leases, including the operating expenses associated with the Distribution Center and the corporate headquarters, to the extent the same constitute part of the Purchased Assets;

(b) all costs associated with delivery of goods in transit and/or previously produced inventory which is purchased by Purchaser, including related freight forwarding and storage costs; and

(c) Liabilities arising from the post-Closing sale of Products, including any sales pursuant to product warranties, product returns and rebates.

Section 2.4 Excluded Liabilities. Other than the Assumed Liabilities, Purchaser will not assume, be liable for, have any responsibility for or otherwise become obligated in respect of any actual, unliquidated or contingent liabilities or any other obligations of any Seller or arising out of,

relating to or otherwise in respect of the Business (the "Excluded Liabilities"), including the following Liabilities:

(a) all Liabilities arising out of or related to the Excluded Assets, including Contracts that are not Purchased Contracts;

(b) all Liabilities under or with respect to (i) any Employee Benefit Plan, (ii) Sections 412, 4971 and 4980B of the Internal Revenue Code, 26 U.S.C. § 1 et seq. (the "Code"), or Title IV or Section 302 of ERISA with respect to any employee benefit plan that is or has been maintained or contributed to by any of the Seller or any entity with which any of the Seller is considered a single employer under Section 414 of the Code, or (iii) any current or former Business employees and their compensation and benefits, including any severance, retention or similar payments due or that become payable in connection with actions taken under this Agreement;

(c) all Liabilities for income, franchise and transfer Taxes of the Seller for any Tax period, and, except as otherwise provided in Section 12.1 and Section 12.2, all Liabilities for Taxes of the Seller relating to the Purchased Assets for any Tax periods (or portions thereof) ending on or before the Closing Date, but excluding Transfer Taxes as provided in Section 12.1 below; and

(d) any post-petition debt or administrative expense debt;

(e) any indebtedness for borrowed money or other interest bearing obligations;

(f) any amounts payable to any Affiliates of the Seller;

(g) any cash overdraft Liability;

(h) any Liability accruing prior to the Closing Date to the extent that Seller or any Seller Affiliate is actually reimbursed therefor under its insurance policies;

(i) any damages or Liabilities arising out of or in connection with any litigation or other claims pending against Seller, including, without limitation, Rodjean Barbeques, Inc. et al. v. Barbeques Galore, Inc. et al., County of Orange Superior Court, Case No. 06CC10824, on or prior to the Closing Date;

(j) except to the extent specifically provided in Article IX, all Liabilities arising on or prior to the Closing Date out of, relating to or with respect to any Transferred Employees including in relation to (i) the employment by or performance of services for Seller, or termination of employment or services, or (ii) workers' compensation claims relating to occurrences on or prior to the Closing Date;

(k) any Liability arising out of or in connection with a violation of any law on or prior to the Closing Date, including any violations of law relating to occupational safety and health or discrimination on the basis of age, race, creed, color or disability, or any conduct prohibited by the Foreign Corrupt Practices Act of 1977;

(l) any environmental Liabilities arising on or prior to the Closing Date under federal, state or local law (including but not limited to administrative or civil fines or penalties for violations of environmental laws, or remediation or response costs for contamination);

(m) any employment agreements, retirement or pension plans of Seller and post-retirement benefits of any type or nature, whether funded or unfunded;

(n) any Liability under the Worker Adjustment and Retraining Notification Act (or any similar state or local law) arising on or prior to the Closing Date or out of the transactions contemplated hereby;

(o) any Liability (including, without limitation, all environmental Liabilities) arising in connection with or relating to the use, operation or location of the Real Property Leases on or prior to the Closing Date other than Purchased Leases and Designee Leases provided that Purchaser shall reimburse Seller for real estate occupancy expenses that have been paid by Seller for the period from the Closing Date to September 30, 2008;

(p) all Liabilities relating to amounts required to be paid by each Seller hereunder;

and

(q) any Liabilities relating to the Cure Amount;

Section 2.5 Lease and Contract Designation; Cure Amounts.

(a) Designation. On or prior to the Designation Deadline and pursuant to the terms of this Section 2.5, Purchaser shall designate each Real Property Lease a Purchased Lease, a Designee Lease or an Excluded Lease and shall designate each Contract a Purchased Contract, a Designee Contract or an Excluded Contract. Notwithstanding the foregoing, if a Contract or Real Property Lease is not designated on or before the Designation Deadline, and such Contract or Real Property Lease has not been rejected by the Seller pursuant to Section 365 of the Bankruptcy Code, Seller shall, upon request of Purchaser, assume and assign such Contract or Real Property Lease to Purchaser or its designee for no additional consideration.

(b) Assignment and Assumption. At such time as is specified in the Sale Order, this Agreement and any other orders of the Bankruptcy Court, Seller shall assign to Purchaser and Purchaser shall assume from Seller, the Purchased Contracts and the Purchased Leases and Seller shall assign to Purchaser's designees and Purchaser shall cause such designees to assume from Seller, the Designee Leases and the Designee Contracts pursuant to Section 365 of the Bankruptcy Code.

(c) Assets to be Liquidated; Proceeds. Assets to be Liquidated; Proceeds. Subject to entry by the Bankruptcy Court of the Sale Order, Agent shall act as the exclusive agent of the Seller for the purpose of liquidating the GOB Assets in those Leased Premises designated by the Purchaser from time-to-time from the date hereof through the Designation Deadline (such locations, the "Store Closing Locations") through the conduct of Store Closing Sales and any location which is not designated a Purchased Lease as of the Closing Date shall be deemed a Store Closing Location and Agent shall be responsible for all Expenses for such Store Closing Locations after the Closing Date as provided in the Agency Agreement. Notwithstanding the designation of a Leased Premises as a Store Closing Location, Purchaser may deliver notice to Agent to defer commencement of a GOB Sale and irrespective of such designation, Purchaser and Agent shall have the other rights and obligations contemplated by this Section 2.5 with respect to the related Real Property Leases. The terms, conditions and procedures applicable to the conduct of the Store Closing Sales in the Store Closing Locations and the sale or other disposition of the GOB Assets from the Store Closing Locations are set forth in the Agency Agreement. Notwithstanding the foregoing, following the Closing, Purchaser shall have the right to direct the transfer of GOB Assets to be transferred from Store Closing Locations to such other facilities as Purchaser and Agent shall agree at the expense of the Purchaser or the Agent under the Agency Agreement. For purposes of securing the rights of Purchaser and Agent with respect to the Disposition Rights at the Store Closing Locations, Seller hereby grant to Purchaser and Agent pursuant to Bankruptcy Code § 364(d) a first priority security interest in and lien upon the Merchandise and Furniture and Equipment owned by

Seller located at the Store Closing Locations, and the Proceeds thereof to secure all obligations of Seller to Purchaser and Agent hereunder, provided, however, until the payment of the Purchase Price in full, the security interest granted to Agent hereunder shall remain junior and subordinate in all respects to the security interest of Lender to the extent of the unpaid portion of the Purchase Price. Pursuant to the Sale Order, the security interest granted to Purchaser and Agent hereunder shall be deemed properly perfected without the need for further filings or documentation.

(d) Lease Designation Rights. From and after the Closing Date, Purchaser or its designated agent shall have the exclusive right to act as the exclusive agent of the Seller for the limited purposes of marketing and disposing of the Real Property Leases that have not yet been designated as Purchased Leases, Designee Leases or Excluded Leases through the Applicable Lease Marketing Period, and thereafter to designate the ultimate assignee of all of the Seller's right, title and interest in and to such Real Property Leases.

(e) Marketing Period.

(i) During the period from the Closing Date through the Applicable Lease Marketing Period Termination Date (as to each Leased Premises, the "Applicable Lease Marketing Period"), Seller agrees to cooperate reasonably with Purchaser to arrange for the sale of the Seller's leasehold interests in those Real Property Leases determined by Purchaser. Without limiting the generality of the foregoing, Seller agrees: (x) to provide Purchaser with all due diligence materials and information as Purchaser shall reasonably request in connection with its efforts to market and attempt to sell the applicable Real Property Leases (including complete copies of the subject leases and any abstracts prepared with respect thereto, and all communications with the tenants thereunder, all property surveys, all environmental reports and tax and utility records) and (y) to cooperate with Purchaser, its agents and any potential purchasers of any of the Real Property Leases and to provide reasonable access to such locations.

(ii) At any time prior to the expiration of the Applicable Lease Marketing Period, Purchaser shall have the right, which right may be exercised at any time and from time to time in Purchaser's sole and absolute discretion, to provide written notice to Seller (each such notice, a "Property Dropout Notice") of Purchaser's (or its designee's) election to discontinue its efforts to market and attempt to sell any Real Property Lease. Upon Purchaser's delivery of a Property Dropout Notice, the affected Real Property Lease shall be deemed an Excluded Lease, and Seller may dispose of such property in such manner as Seller may elect, and all proceeds realized upon a disposition of same shall be the exclusive property of Seller.

(iii) At any time prior to the expiration of the Applicable Lease Marketing Period for each Real Property Lease, Purchaser shall have the right, which right may be exercised at any time and from time to time in Purchaser's sole and absolute discretion, to provide written notice to Seller (each such notice, a "Lease Assumption Notice") of Purchaser's election to deem the Real Property Lease identified in the subject Lease Assumption Notice(s) a Designee Lease or a Purchased Lease and require Seller to use commercially reasonable efforts to assume and/or assign or to cause to be assumed and/or assigned such Real Property Lease(s) to Purchaser or Purchaser's designee. Within fifteen (15) days following the date Purchaser delivers a Lease Assumption Notice to Seller, Seller shall take all requisite actions (including actions required under Section 363 and/or Section 365 of the Bankruptcy Code, as applicable) to seek to assume and/or assign pursuant to Section 365 of the Bankruptcy Code such Real Property Lease(s) to Purchaser or the designee identified by Purchaser in such Lease Assumption Notice(s).

(f) Seller shall pay the Cure Amount, as and when finally determined by the Bankruptcy Court pursuant to the procedures set forth in the Sale Order or any other applicable order of the Bankruptcy Court.

(g) Purchaser or its designee under any Lease Assumption Notice shall be required to provide adequate assurance of future performance with respect to such Purchased Lease or Designee Lease and, notwithstanding anything to the contrary, Seller shall not have any liability for Purchaser's failure to satisfy such requirements of the Bankruptcy Code or, notwithstanding anything to the contrary in this Agreement, any obligation to assume or assign any such Purchased Lease with respect to which Purchaser does not satisfy such requirements to the Bankruptcy Court's satisfaction.

(h) Seller hereby appoints Purchaser as agent-in-fact for the sole purpose of allowing Purchaser to continue to operate under the Real Property Leases and other Contracts until such time as Purchaser either designates such Contract as a Purchased Lease, Purchased Contract, Designee Lease or Designee Contract, or designates that it does not want to have such contract assumed and assigned to it or its designee; provided, however, during such period and for the 10-day period following Purchaser's delivery of a Property Dropout Notice with respect to any Real Property Lease or Contract, Purchaser shall be responsible for all obligations arising from or in connection with such Real Property Lease(s) or Contract(s), including, with respect to such Real Property Leases, the Real Estate Occupancy Expenses (regardless of when actually billed to Seller) incurred after the Closing Date.

(i) Prior to the Designation Deadline, Seller shall not reject, amend or modify any Real Property Lease or Contract that has not been designated by Purchaser an Excluded Lease or Excluded Contract, as applicable, but, following the Designation Deadline, Seller shall be free to reject any Real Property Lease or Contract not covered by a Lease Assumption Notice theretofore delivered to Seller by Purchaser.

Section 2.6 Further Conveyances and Assumptions.

(a) From time to time following the Closing, Seller shall make available to Purchaser such data in personnel records of Transferred Employees as is reasonably necessary for Purchaser to transition such employees into Purchaser's records.

(b) From time to time following the Closing, Seller and Purchaser shall, and shall cause their respective Affiliates to, execute, acknowledge and deliver all such further conveyances, notices, assumptions, releases and acquaintances and such other instruments, and shall take such further actions, as may be reasonably necessary or appropriate to assure fully to Purchaser and its respective successors or assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to Purchaser under this Agreement and the Seller Documents and to assure fully to Seller and its successors and assigns, the assumption of the liabilities and obligations intended to be assumed by Purchaser under this Agreement and the Seller Documents, and to otherwise make effective the transactions contemplated hereby and thereby. Seller shall not be required to take actions as a "further assurance" under this Agreement that would (i) increase the burdens of this Agreement imposed on Seller by the other provisions of this Agreement, (ii) entail any monetary expense or exposure, or (iii) entail initiating or becoming involved in any legal action or proceeding.

Section 2.7 [Removed].

Section 2.8 Bulk Sales Laws. Purchaser hereby waives compliance by Seller with the requirements and provisions of any "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the sale and transfer of any or all of the Purchased Assets to Purchaser.

ARTICLE III

CONSIDERATION

Section 3.1 Consideration. The aggregate consideration to be paid by the Purchaser and Agent for the Purchased Assets and for the right of Agent to conduct the GOB Sales pursuant to the terms of the Agency Agreement shall be an amount in cash equal to Fifteen Million Dollars (\$15,000,000) (the "Purchase Price"), subject to adjustment pursuant to Section 3.2 and (b) the assumption of the Assumed Liabilities. The Purchase Price shall be payable as follows:

(a) Purchaser and Agent shall pay the Deposit to the Seller upon Seller's execution of this Agreement, which Deposit is to be held pursuant to the terms and conditions of this Agreement.

(b) On the Closing Date, Purchaser and Agent shall pay the Purchase Price less the Deposit to

Wells Fargo Bank
San Francisco, CA
ABA # 121-000-248
Wells Fargo Retail Finance, LLC
Account Number – 4945088607
Ref: Barbeques Galore, Inc.

(c) If and to the extent that Purchaser over-funds any amounts due hereunder, then Seller agrees to promptly reimburse such undisputed over-payment amounts to Purchaser. The Lender agrees that if and to the extent that (i) Lender has received payment of the over-funded amounts in respect of the Purchase Price, and (ii) the Seller fails to pay to Purchaser any undisputed amounts due hereunder, the Lender shall repay such amounts to the Purchaser within two (2) days written notice by the Purchaser of Seller's failure to pay such undisputed amounts.

Section 3.2 Inventory Purchase Price Adjustment.

(a) Price Adjustment. The Purchase Price is premised on the aggregate Cost Value of the Inventory being not less than \$18,700,000 . In the event that the aggregate Cost Value of the Inventory is less than \$18,700,000, the Purchase Price shall be decreased on a dollar for dollar basis (the "Inventory Adjustment Amount").

(b) Inventory Taking Procedures. As soon as practicable after the Sale Hearing, but in no event more than ten (10) days after the Closing Date, Purchaser, Agent and Seller shall cause to be taken (i) a Cost Value physical inventory of the Inventory at all stores in accordance with Schedule 3.2(b), and (ii) a SKU level retail inventory of the Inventory at the Closing Stores in accordance with Schedule 3.2(b). The results of such Inventory Taking shall be provided to the Creditors Committee.

Section 3.3 Cash. In addition to the Purchase Price, Purchaser shall purchase all cash in the Leased Premises with respect to the Purchased Leases and all deposits in the process of clearing at Seller's bank accounts on and as of the start of business on the Closing Date (the "Purchased Cash") and shall reimburse Seller on the next Business Day following the Closing Date on a dollar for dollar basis therefor. Purchaser also agrees to remit cash, as and when received, in respect of the amount of credit card accounts receivable (inclusive of holdbacks), as of the Closing Date.

ARTICLE IV

CLOSING AND TERMINATION

Section 4.1 Closing Date. Subject to the satisfaction of the conditions set forth in Section 10.1, Section 10.2 and Section 10.3 hereof (or the waiver thereof by the party entitled to waive that condition), the closing of the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities provided for in Article II hereof (the "Closing") shall take place at the offices of Pachulski Stang Ziehl & Jones LLP located at 10100 Santa Monica Blvd., 11th Floor, Los Angeles, California (or at such other place as the parties may designate in writing) at 12 p.m. (eastern time) on September 12, 2008, unless another time or date, or both, are agreed to in writing by the parties hereto. The date on which the Closing shall be held is referred to in this Agreement as the "Closing Date." Unless otherwise agreed by the parties in writing, the Closing shall be deemed effective and all right, title and interest of Seller to be acquired by Purchaser hereunder shall be considered to have passed to Purchaser as of 12:01 a.m. (eastern time) on the Closing Date. Notwithstanding anything herein to the contrary, Purchaser shall be entitled to direct Agent to conduct GOB Sales at Store Closing Locations on the terms set forth in the Agency Agreement commencing on the first day following entry of the Sale Order.

Section 4.2 Deliveries by Seller. At the Closing, Seller shall deliver, or cause to be delivered, to Purchaser:

- (a) a duly executed bill of sale in the form of Exhibit B hereto;
- (b) an executed assumption and assignment agreement for each Real Property Lease and/or Contract being assigned, in a form substantially similar to that attached hereto as Exhibit C;
- (c) a duly executed assignment and assumption agreement in the form of Exhibit E hereto and duly executed assignments of all trademark registrations and applications included in the Purchased Intellectual Property, in a form suitable for recording in the U.S. and relevant foreign trademark office, and assignments of all other Purchased Intellectual Property, in a form suitable for recording;
- (d) a duly executed assignment and assumption agreement in the form of Exhibit F hereto and duly executed assignments of the copyrights and applications included in the Purchased Intellectual Property, in a form suitable for recording;
- (e) [OMITTED]
- (f) all electronic data (including data relating to customers, sales history, inventory, accounts receivable, vendors, employees and accounts payable) relating to the Business operations and included among the Purchased Assets that is located or stored on computer files; and
- (g) [OMITTED]
- (h) all other instruments of conveyance and transfer (including applicable Transfer Tax forms and filings), in form and substance reasonably acceptable to Purchaser, as may be necessary to convey the Purchased Assets to Purchaser.

Section 4.3 Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Seller or the Escrow Agent, as provided in Section 3.1:

- hereof;
- (a) the Purchase Price, in immediately available funds, as set forth in Section 3.1
 - (b) executed counterparts of the bill of sale referred to in Section 4.2(a);
 - (c) executed counterparts to the assignment and assumption agreements referred to in Section 4.2(b) and Section 4.2(c);
 - (d) [OMITTED]; and
 - (e) such other documents, instruments and certificates to evidence the assignment of the Purchased Assets and the assumption of the Assumed Liabilities as Seller may reasonably request.

Section 4.4 Termination of Agreement. This Agreement may be terminated prior to the Closing as follows:

- (a) by Purchaser or Seller, if the Closing shall not have occurred by the close of business on September 12, 2008 (the "Termination Date"); provided, however, that if the Closing shall not have occurred on or before the Termination Date due to a material breach of any representations, warranties, covenants or agreements contained in this Agreement by Purchaser or Seller, then the breaching party may not terminate this Agreement pursuant to this Section 4.4(a);
- (b) by mutual written consent of Seller and Purchaser;
- (c) by Purchaser, if any of the conditions to the obligations of Purchaser set forth in Section 10.1 or Section 10.3 shall have become incapable of fulfillment other than as a result of a breach by Purchaser of any covenant or agreement contained in this Agreement, and such condition is not waived by Purchaser;
- (d) by Seller, if any condition to the obligations of Seller set forth in Section 10.2 or Section 10.3 shall have become incapable of fulfillment other than as a result of a breach by Seller of any covenant or agreement contained in this Agreement, and such condition is not waived by Seller;
- (e) by Purchaser, if there shall be a breach by Seller of any representation or warranty, or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Section 10.2 or Section 10.3 and which breach cannot be cured or has not been cured by the earlier of (i) five (5) Business Days after the giving of written notice by Purchaser to Seller of such breach and (ii) the Termination Date;
- (f) by Seller, if there shall be a breach by Purchaser of any representation or warranty, or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Section 10.2 or Section 10.3 and which breach cannot be cured or has not been cured by the earlier of (i) five (5) Business Days after the giving of written notice by Seller to Purchaser of such breach and (ii) the Termination Date;
- (g) by Seller or Purchaser if there shall be in effect a final nonappealable Order of a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby.

(h) by Purchaser, if Seller withdraws or seeks authority to withdraw its motion seeking approval of the transactions contemplated by this Agreement, or announces any stand alone plan of reorganization or liquidation (or supports any such plan filed by any other party).

Section 4.5 Procedure Upon Termination.

(a) In the event of termination and abandonment by Purchaser or Seller, or both, pursuant to Section 4.4 hereof, written notice thereof shall forthwith be given to the other party or parties, and this Agreement shall terminate, and the purchase of the Purchased Assets hereunder shall be abandoned, without further action by Purchaser or Seller.

(b) If this Agreement is terminated as provided herein each party shall redeliver all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the party furnishing the same.

Section 4.6 Effect of Termination.

(a) In the event that this Agreement is validly terminated as provided herein, then each of the parties shall be relieved of its duties and obligations arising under this Agreement after the date of such termination and such termination shall be without liability to Purchaser or Seller; provided, however, that the obligations of the parties set forth in this Section 4.6 and Section 8.6 hereof shall survive any such termination and shall be enforceable hereunder.

(b) Nothing in this Section 4.6 shall relieve Purchaser or Seller of any liability for a breach of this Agreement prior to the date of termination. The damages recoverable by the non-breaching party shall include all attorneys' fees reasonably incurred by such party in connection with the transactions contemplated hereby.

(c) In the event of a termination of this Agreement pursuant to any provision of Section 4.4 (other than pursuant to Section 4.4(f)), Seller shall immediately return to Purchaser the Deposit (together with interest thereon).

(d) In the event of a termination of this Agreement pursuant to Section 4.4(f), Seller shall, without limiting Seller's other rights or remedies under the circumstances, have the right to retain the Deposit (together with interest thereon).

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Purchaser that:

Section 5.1 Organization and Good Standing. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of California and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now conducted. Seller is duly qualified or authorized to do business as a foreign corporation and is in good standing under the laws of each jurisdiction in which it owns or leases real property and each other jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification or authorization, except where the failure to be so qualified, authorized or in good standing would not have a Material Adverse Effect.

Section 5.2 Authorization of Agreement. Except for such authorization as is required by the Bankruptcy Court (as hereinafter provided for), Seller has all requisite power, authority and legal capacity to execute and deliver this Agreement and each Seller has all requisite power, authority and legal capacity to execute and deliver each other agreement, document, or instrument or certificate contemplated by this Agreement and to which it is a party or to be executed by such Seller in connection with the consummation of the transactions contemplated by this Agreement (the "Seller Documents"), to perform its respective obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Seller Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of each. This Agreement has been, and each of the Seller Documents will be at or prior to the Closing, duly and validly executed and delivered by each Seller which is a party thereto and (assuming the due authorization, execution and delivery by the other parties hereto and thereto, the entry of the Bidding Procedures Order) this Agreement constitutes, and each of the Seller Documents when so executed and delivered will constitute, legal, valid and binding obligations of such Seller in accordance with their respective terms, subject only to entry of the Sale Order.

Section 5.3 Conflicts; Consents of Third Parties.

(a) Except as set forth on Schedule 5.3(a), none of the execution and delivery by Seller of this Agreement or by each Seller of the Seller Documents, the consummation of the transactions contemplated hereby or thereby, or compliance by each Seller with any of the provisions hereof or thereof will conflict with, or result in any material violation of or material default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the certificate of incorporation and by-laws or comparable organizational documents of such Seller; (ii) subject to entry of the Sale Order, any Contract or Permit to which such Seller is a party or by which any of the properties or assets of such Seller are bound; (iii) subject to entry of the Sale Order, any Order of any Governmental Body applicable to such Seller or any of the properties or assets of such Seller as of the date hereof; or (iv) subject to entry of the Sale Order, any applicable Law.

(b) Except as set forth on Schedule 5.3(b), no material consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of any Seller in connection with the execution and delivery of this Agreement or the Seller Documents, the compliance by such Seller with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by such Seller of any other action contemplated hereby or thereby, except for entry of the Sale Order.

Section 5.4 Financial Advisors. Except as set forth on Schedule 5.4, no Person has acted, directly or indirectly, as a broker, finder or financial advisor for Seller in connection with the transactions contemplated by this Agreement and no Person is entitled to any fee or commission or like payment from Purchaser in respect thereof.

Section 5.5 Title to Assets. Subject to receipt of the approval of the Bankruptcy Court pursuant to the Sale Order, Seller has, or at the Closing will have, the right to deliver to Purchaser good and, as applicable, marketable title to, or a valid leasehold interest in, all of the Purchased Assets and GOB Assets free and clear of all Liens.

Section 5.6 Legal Compliance.

(a) Seller has, in connection with the operation of the Business, complied in all material respects with all applicable Laws (including rules, regulations, codes, plans, injunctions,

judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof), and no material action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against any Seller alleging any failure so to comply.

(b) To Seller's Knowledge, all Merchandise is in material compliance with all applicable federal, state or local product safety laws, rules and standards.

Section 5.7 Property.

(a) Schedule 5.7(a) lists: (i) the street address of each Real Property Lease, (ii) the identity of the landlord, tenant, and current occupant (if different from tenant) of each Real Property Lease, (iii) the term (referencing applicable commencement and expiration dates and renewal periods) and rental payment terms (including fixed, basic or minimum rent and percentage rent) of the Real Property Leases (and any subleases) pertaining to each such Leased Premises, (iv) the current amount of CAM, real estate taxes, and all other amounts payable pursuant to the Real Property Leases other than fixed, basic or minimum rent and percentage rent payable thereunder, (v) the remaining amount of any tenant improvement allowance or other payment due from any landlord thereunder, (vi) the remaining amount of any free rent or abatement period remaining thereunder, (vii) the security deposit presently held by the landlord pursuant to the Real Property Lease and (viii) the month through which rent and additional rent has been paid to the landlord pursuant to the Real Property Lease. Each of the foregoing items specified on Schedule 5.7(a) is true, correct, accurate and complete in all respects.

(b) Except as otherwise disclosed on Schedule 5.7(b), with respect to each Real Property Lease no Seller has granted to any other Person any rights, adverse or otherwise, under such Real Property Lease.

(c) Seller is not entitled to any offsets, abatements, deductions or credits against rent, additional rent or any other payment obligation under the Real Property Leases except as specified on Schedule 5.7(c).

(d) Except as set forth on Schedule 5.7(d), Seller has not sublet, assigned or otherwise conveyed all or any portion of any Leased Premises or Real Property Lease to any other Person.

(e) Seller does not own any real property.

(f) Schedule 5.7(f) sets forth each item of Furniture and Equipment owned by Seller.

Section 5.8 Intellectual Property. Schedule 5.8 sets forth all material Intellectual Property and Intellectual Property Licenses owned and/or used by Seller in connection with, arising from or in respect of the Business.

Section 5.9 Insurance. Schedule 5.9 sets forth all insurance policies relating to the assets, properties, business or operations of the Seller and, with respect to each such insurance policy, the following information:

(a) the name of the insurer, the name of the policyholder, and the name of each covered insured;

(b) the policy number and the period of coverage; and

(c) a summary of the scope (including an indication of whether the coverage was on a claims made, occurrence, or other basis) and amount (including a description of how deductibles and ceilings are calculated and operate) of coverage.

Section 5.11 Tax Matters. All material amounts of Taxes payable by or with respect to Seller, whether or not shown on any Tax Returns, have been timely paid, subject to the imposition of the automatic stay prior to payment being due. No claim has been made by any Tax authority in a jurisdiction where Seller does not file Tax Returns that such Seller is or may be subject to taxation in that jurisdiction as a result of the Purchased Assets or the Business.

Section 5.12 Cure Amounts. [OMITTED]

Section 5.13 No Other Representations or Warranties; Schedules. Except for the representations and warranties contained in this Article V (as modified by the Schedules hereto), neither Seller nor any other Person makes any other express or implied representation or warranty with respect to the Seller, the Business, the Purchased Assets, the Assumed Liabilities or the transactions contemplated by this Agreement, and Seller disclaims any other representations or warranties, whether made by Seller, any Affiliate of Seller or any of their respective officers, directors, employees, agents or representatives.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller that:

Section 6.1 Organization and Good Standing. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.

Section 6.2 Authorization of Agreement. Purchaser has full power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by Purchaser in connection with the consummation of the transactions contemplated hereby and thereby (the "Purchaser Documents"), and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Purchaser of this Agreement and each Purchaser Document have been duly authorized by all necessary corporate action on behalf of Purchaser. This Agreement has been, and each Purchaser Document will be at or prior to the Closing, duly executed and delivered by Purchaser and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Purchaser Document when so executed and delivered will constitute, the legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 6.3 Conflicts; Consents of Third Parties.

(a) Except as set forth on Schedule 6.3, none of the execution and delivery by Purchaser of this Agreement or the Purchaser Documents, the consummation of the transactions contemplated hereby or thereby, or the compliance by Purchaser with any of the provisions hereof or

thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the organizational documents of Purchaser, (ii) any Contract or Permit to which Purchaser is a party or by which Purchaser or its properties or assets are bound or (iii) any Order of any Governmental Body applicable to Purchaser or by which any of the properties or assets of Purchaser are bound or (iv) any applicable Law.

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Purchaser in connection with the execution and delivery of this Agreement or the Purchaser Documents, the compliance by Purchaser with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by Purchaser of any other action contemplated hereby or thereby, or for Purchaser to conduct the Business, except to the extent the failure to obtain such consents would not reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the transactions contemplated hereby.

Section 6.4 Litigation. There are no Legal Proceedings pending or, to the knowledge of Purchaser, threatened against Purchaser, or to which Purchaser is otherwise a party before any Governmental Body, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the transactions hereby. Purchaser is not subject to any Order of any Governmental Body except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the transactions contemplated hereby.

Section 6.5 Financial Advisors. No Person has acted, directly or indirectly, as a broker, finder or financial advisor for Purchaser in connection with the transactions contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof.

Section 6.6 Financial Capability. Purchaser (i) has, and at the Closing will have, sufficient internal funds available to pay the Purchase Price and any expenses incurred by Purchaser in connection with the transactions contemplated by this Agreement, and (ii) has, and at the Closing will have, the resources and capabilities (financial or otherwise) to perform its obligations hereunder.

ARTICLE VII

BANKRUPTCY COURT MATTERS

Section 7.1 No Competing Transaction. This Agreement is not subject to the consideration by Seller of higher or better competing bids (each a "Competing Bid").

Section 7.2 Bankruptcy Court Filings. As more fully set forth in Section 8.9, Purchaser agrees that it will promptly take such actions as are reasonably requested by Seller to assist in obtaining entry of the Sale Order and a finding of adequate assurance of future performance by Purchaser, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Purchaser under this Agreement and demonstrating that Purchaser is a "good faith" purchaser under Section 363(m) of the Bankruptcy Code. In the event the entry of the Sale Order shall be appealed, Seller and Purchaser shall use their respective reasonable efforts to defend such appeal.

ARTICLE VIII

COVENANTS

Section 8.1 Access to Information. Seller agrees that, prior to the Closing Date, Purchaser shall be entitled, through its officers, employees and representatives (including, without limitation, its legal advisors and accountants), to make such investigation of the properties, businesses and operations of the Business and such examination of the books and records of the Business, the Purchased Assets and the Assumed Liabilities as it reasonably requests and to make extracts and copies of such books and records. Any such investigation and examination shall be subject to restrictions under applicable Law. Seller shall cause the officers, employees, consultants, agents, accountants, attorneys and other representatives of Seller and its Subsidiaries to cooperate with Purchaser and Purchaser's representatives in connection with such investigation and examination, and Purchaser and its representatives shall cooperate with Seller and its representatives and shall use their reasonable efforts to minimize any disruption to the Business.

Section 8.2 Conduct of the Business Pending the Closing. Prior to the Closing, except (1) as set forth on Schedule 8.2, (2) as required by applicable Law or as appropriate in the Bankruptcy Case, (3) as otherwise expressly contemplated by this Agreement or the Agency Agreement, or (4) with the prior written consent of Purchaser (which consent shall not be unreasonably withheld or delayed), Seller shall:

- (i) conduct the Business only in the Ordinary Course of Business;
- (ii) not, to the extent Purchaser would be responsible if such Employee were a Transferred Employee, (A) increase the compensation or fringe benefits of any present or former Employee, (B) hire any new Employee, (C) grant any severance or termination pay to any Employee, or (D) loan or advance any money or other property to any present or former Employee;
- (iii) maintain customary levels of insurance coverage (in accordance with past practice) with respect to the Purchased Assets, the GOB Assets and the Business;
- (iv) otherwise act in accordance with the Sale Order, Bidding Procedures Order and any other Orders issued by the Bankruptcy Court;
- (v) use its commercially reasonable efforts to (A) preserve the present business operations, organization, Intellectual Property and goodwill of the Business, and (B) preserve the present relationships with customers and suppliers of the Business and of the Seller;
- (vi) ticket or mark all items of Inventory received at the Leased Premises in a manner consistent with similar Merchandise located at the Leased Premises and in accordance with Seller's ordinary course past practices and policies relative to pricing and marking inventory;
- (vii) provide Purchaser with its historic policies and practices, if any, regarding product recalls on or prior to the Closing Date and shall notify Purchaser of any product recalls throughout the conduct of the GOB Sales;
- (viii) continue to operate the stores at the Leased Premises in all material respects in the Ordinary Course of Business by: (A) selling inventory during such period at customary prices consistent with the Ordinary Course of Business; (B) not promoting or advertising any sales or in-

store promotions (including POS promotions) to the public (except for Seller' pending advertisements as of the date of this Agreement and/or Seller's promotions for the period through the Closing Date); (C) except as may occur in the Ordinary Course of Business, not returning inventory to vendors and not transferring inventory or supplies between or among the stores at the Leased Premises; and (D) except as may occur in the Ordinary Course of Business, not making any material management personnel moves or changes at the stores at the Leased Premises without prior notice to and consultation with (but not approval of) Purchaser;

(ix) maintain the selling price to the public of each and every item/unit of Merchandise at the Leased Premises at the Store Retail Price;

(x) not mark up or raise, or propose to mark up or raise, the price of any items of Merchandise, or remove or alter any tickets or, any indicia of clearance merchandise or any other kind of in-store pricing signage;

(xi) [OMITTED], and

(xii) not transfer any supplies to or from the Leased Premises so as to alter the mix or quantity of supplies at the Leased Premises from that existing on such date, other than in the Ordinary Course of Business.

Section 8.3 Consents. Seller shall use its commercially reasonable efforts, and Purchaser shall cooperate with any reasonable request of Seller, to obtain at the earliest practicable date all consents and approvals required to consummate the transactions contemplated by this Agreement, including, without limitation, the consents and approvals referred to in Section 5.3(b) hereof; provided, however, that neither Seller nor any other Seller shall be obligated to pay any consideration therefor to any third party from whom consent or approval is requested or to initiate any litigation or legal proceedings to obtain any such consent or approval and that nothing herein or in Section 5.3(b) shall require Seller to seek or obtain any consent the need for which is or would be obviated by the entry of the Sale Order..

Section 8.4 Further Assurances. Each of Seller and Purchaser shall use its commercially reasonable efforts to (i) take all actions necessary or appropriate to consummate the transactions contemplated by this Agreement, (ii) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the transactions contemplated by this Agreement, and (iii) enter into a transition services agreement to permit Seller to satisfy its obligations in respect of systems, reporting, payroll services and related matters as required under the Agency Agreement.

Section 8.5 Preservation of Records. Seller and Purchaser agree that each of them shall preserve and keep the records held by it or their Affiliates relating to the Business for a period of three (3) years from the Closing Date and shall make such records and personnel available to the other as may be reasonably required by such party in connection with, among other things, any insurance claims by, Legal Proceedings or tax audits against or governmental investigations of Seller or Purchaser or any of their Affiliates or in order to enable Seller or Purchaser to comply with their respective obligations under this Agreement and each other agreement, document or instrument contemplated hereby or thereby. In the event Seller or Purchaser wishes to destroy such records before or after that time, such party shall first give ninety (90) days prior written notice to the other party and counsel for the Creditors' Committee and such other party shall have the right at its option and expense, upon prior written notice given to such party within such ninety (90) day period, to take possession of the records within one hundred and eighty (180) days after the date of such notice.

Section 8.6 Publicity. Neither Seller nor Purchaser shall issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other party hereto, which approval will not be unreasonably withheld or delayed, unless, in the sole judgment of Purchaser or Seller, disclosure is otherwise required by applicable Law or by the Bankruptcy Court with respect to filings to be made with the Bankruptcy Court in connection with this Agreement or by the applicable rules of any stock exchange on which Purchaser or Seller lists securities, provided that the party intending to make such release shall use its commercially reasonable efforts consistent with such applicable Law or Bankruptcy Court requirement to consult with the other party with respect to the text thereof.

Section 8.7 Supplementation and Amendment of Schedules. Seller or as applicable, Purchaser, may, at its option, include in the Schedules items that are not material in order to avoid any misunderstanding, and such inclusion, or any references to dollar amounts, shall not be deemed to be an acknowledgement or representation that such items are material except to the extent a particular representation is qualified by materiality, to establish any standard of materiality or to define further the meaning of such terms for purposes of this Agreement. Any matter or item disclosed on one Schedule shall be deemed to have been disclosed on each other Schedule to the extent it is reasonably apparent on the face of such disclosure (and not by reference to the underlying documents) that such disclosed matter is relevant to each other Schedule. From time to time prior to the Closing, Seller shall have the right to supplement or amend the Schedules with respect to any matter hereafter arising or discovered after the delivery of the Schedules pursuant to this Agreement. No such supplement or amendment shall have any effect on the satisfaction of the condition to closing set forth in Section 10.1(a); provided, however, if the Closing shall occur, then Purchaser shall be deemed to have waived any right or claim pursuant to the terms of this Agreement or otherwise, including pursuant to Article XI hereof, with respect to any and all matters disclosed pursuant to any such supplement or amendment at or prior to the Closing. From time to time, Purchaser shall have the ability to amend the Schedules pursuant to Section 2.5 and Section 8.2.

Section 8.8 Court Order. Subject to Article VII, Seller shall use diligent and commercially reasonable efforts to obtain the Sale Order. If a written objection is filed to the Sale Motion, which is an objection which would prohibit or otherwise prevent the Closing from occurring pursuant to the terms of this Agreement, Seller shall use its commercially reasonable efforts to have such objection overruled.

Section 8.9 Adequate Assurance of Future Performance. With respect to each Contract and/or Real Property Lease, Purchaser shall use commercially reasonable efforts to provide adequate assurance as required under the Bankruptcy Code of the future performance of the applicable Contract and/or Real Property Lease by Purchaser. Purchaser agrees that it will promptly take all actions reasonably required by Seller or ordered by the Bankruptcy Court to assist in obtaining the Bankruptcy Court's entry of an order approving this Agreement, such as furnishing affidavits, non-confidential financial information, confidential information subject to a reasonable form of confidentiality agreement or other documents or information for filing with the Bankruptcy Court and making Purchaser's employees and representatives available to be interviewed by Seller's attorneys and to testify before the Bankruptcy Court and at depositions, with respect to demonstrating adequate assurance of future performance by Purchaser under the Contract and/or Real Property Lease. If a written objection is filed to the Sale Motion, which is an objection which would prohibit or otherwise prevent the Closing from occurring pursuant to the terms of this Agreement, Purchaser shall use commercially reasonable efforts to have such objection overruled.

Section 8.10 Purchaser Covenants after Closing; Access. Purchaser covenants and agrees that it shall, from and after the Closing Date (unless otherwise agreed with Seller) do each of the following:

(a) upon reasonable advance notice, afford to Seller's officers, independent public accountants, attorneys, lenders, consultants and other representatives, reasonable access during normal business hours to the Purchased Assets and all records pertaining to the Purchased Assets. Seller expressly acknowledges that nothing in this Section is intended to give rise to any contingency to Seller's obligations to proceed with the transactions contemplated herein.

(b) not pursue any avoidance actions or claims under chapter 5 of the Bankruptcy Code against trade vendors to the Seller.

Section 8.11 Change of Name. Within three (3) weeks following the Closing Date, Seller shall, and shall cause each of the Seller to, file such amendments to its formation or organizational documents with the relevant Governmental Body in its jurisdiction of formation or organization and, where appropriate, those jurisdictions in which it is qualified to do business, as are necessary in order that the names (including trade names and d/b/a's) of Seller and each Seller no longer include the words "Barbeques Galore" or any variation or derivation thereof.

ARTICLE IX

EMPLOYEES AND EMPLOYEE BENEFITS

Section 9.1 Employment.

(a) Business Employee List. With respect to the Business Employees, Seller has previously provided to Purchaser a list (the "Business Employee List") setting forth: (i) each such person's title or job/position; (ii) each such person's job designation (i.e., salaried or hourly); (iii) each such person's location of employment; (iv) each such person's annual base rate of compensation and target annual bonus amount in effect immediately prior to the Petition Date; and (v) each such person's status (i.e., active or approved leave of absence) and expected return date. Not later than 3 days prior to the Closing Date, Seller shall provide Purchaser with an updated Business Employee List.

(b) Transferred Employees. Prior to the Closing, Purchaser shall deliver, in writing, an offer of employment to those Employees as determined by Purchaser in its sole discretion. The new employment of each Employee who accepts Purchaser's offer of employment shall commence with effect from the Closing Date (or, with respect to any Business Employee on a leave of absence, as of the date such Business Employee commences active employment with the Purchaser) (collectively referred to herein as the "Transferred Employees").

(c) Cooperation and Communications. Seller and Purchaser agree to cooperate reasonably during the period prior to the Closing Date to ensure the continuity of the workforce of the Business. Prior to the Closing Date, all general communications between the Purchaser and any group of Business Employees shall be coordinated with and be subject to the prior approval of Seller.

Section 9.2 Employee Benefits.

(a) Benefits. Purchaser shall provide, or cause to be provided, for a period of six (6) months following the Closing Date or such longer period of time required by applicable Law, to the Transferred Employees employee benefits, that are reasonably comparable, in the aggregate, to those provided to such Transferred Employees immediately prior to the Petition Date; provided, however, that Purchaser shall not have any obligation to give effect to any equity or equity-based plan, any key Employee retention plan or any compensation or bonus plan, agreement or arrangement designed to retain employees during the pendency of the Bankruptcy Case.

(b) Nothing contained in this Article IX or elsewhere in this Agreement, express or implied, shall be construed to prevent the termination of employment of any Transferred Employee or any change in the employee benefits available to, or other terms and conditions of employment applicable to, any Transferred Employee. The provisions of this Article IX are solely for the benefit of the parties to this Agreement, and no current or former employee or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement. In no event shall the terms of this Agreement be deemed to create or amend any employee benefit plan, program or arrangement of Purchaser or its Affiliates or to create any enforceable rights under any such plan, program or arrangement.

ARTICLE X

CONDITIONS TO CLOSING

Section 10.1 Conditions Precedent to Obligations of Purchaser. The obligation of Purchaser to consummate the transactions contemplated by this Agreement is subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser in its sole discretion in whole or in part to the extent permitted by applicable Law):

(a) (1) the representations and warranties of Seller and Seller set forth in this Agreement, other those contained in Section 5.5, and in the Agency Agreement shall be true and correct as of the Closing Date as though made on the Closing Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct on and as of such earlier date), without regard to any materiality or "Material Adverse Effect" qualifiers contained in such representations and warranties, in each case except for failures of such representations and warranties to be true and correct that, individually or in the aggregate, have not had and could not reasonably be expected to have a Material Adverse Effect; and (2) the representations and warranties contained in Section 5.5 shall be true and correct as of the Closing Date as though made on the Closing Date, without regard to any Material Adverse Effect qualifier;

(b) Seller shall have performed and complied in all material respects with all obligations and agreements required in this Agreement to be performed or complied with by the prior to the Closing Date;

(c) Seller shall have entered into the agreement with the Agent (the "Agency Agreement") providing for the disposal of the GOB Assets, a copy of which is attached hereto as Exhibit D, as may be amended from time to time;

(d) all consents, approvals or conditions that are not eliminated by the Sale Order shall have been obtained or satisfied; The consents, approvals or conditions required to be obtained or satisfied pursuant to this Section 10.1(d) are referred to herein as "Required Consents";

(e) all required notices shall have been given and filings made and, as the case may be, all applicable waiting periods shall have expired without adverse action by, and all favorable orders, consents and approvals in the form required to consummate the transactions contemplated by this Agreement and operate the Business shall have been received (if required by contract, applicable law or otherwise) from all federal, state and local governmental and regulatory agencies;

(f) [OMITTED]

(g) [OMITTED]

(h) the Bankruptcy Court shall have entered the Sale Order, in form and substance satisfactory to the Purchaser and all such orders shall be final and non-appealable, and the Sale Order shall provide, inter alia, the following:

(i) Specific findings of fact and conclusions of law:

(A) Purchaser will not consummate the transactions contemplated by the Agreement unless the Agreement specifically provides, and the Bankruptcy Court specifically orders, that none of Purchaser or its Affiliates, members or shareholders or the Purchased Assets will have any liability whatsoever with respect to or be required to satisfy in any manner, whether at law or in equity, whether by payment, setoff or otherwise, directly or indirectly, any Lien or Excluded Liability;

(B) Purchaser is a good faith purchaser of the Purchased Assets pursuant to Section 363(m) of the Bankruptcy Code;

(C) Seller gave due and proper notice of this Agreement and the transactions contemplated hereby to all persons entitled thereto;

(D) Neither the Purchaser nor its Affiliates, successors or assigns shall, as a result of the consummation of the transaction contemplated by this Agreement: (a) be a successor to the Seller or their estates; (b) have, de facto or otherwise, merged or consolidated with or into the Seller or their estates; or (c) be a continuation or substantial continuation of the Seller or any enterprise of the Seller;

(E) The consideration to be paid by Purchaser under this Agreement constitutes reasonably equivalent value (as that term is defined in each of the Uniform Fraudulent Transfer Act and Section 548 of the Bankruptcy Code) and fair consideration for the Purchased Assets;

(F) Neither Purchaser nor the Seller are entering into the transactions contemplated by this Agreement fraudulently;

(G) Seller has provided adequate assurances to all parties to the Purchased Contracts which are to be assigned as part of the Sale Order;

(H) All defaults under the Purchased Leases which are to be assigned as part of the Sale Order are deemed cured by payment of the Cure Amount;

(I) All defaults under the Purchased Contracts which are to be assigned as part of the Sale Order are deemed cured by payment of the Cure Amount and Purchaser will not assume, be liable for, have any responsibility for or otherwise become obligated in respect of any claims arising prior to the Closing Date under any Purchased Lease or Purchased Contract, Designee Lease or Designee Contract; and

(J) As of the Closing Date, (a) the transactions contemplated by this Agreement effect a legal, valid, enforceable and effective sale and transfer of the Purchased Assets to Purchaser and shall vest Purchaser with title to such assets free and clear of all liens and Excluded Liabilities, and (b) this Agreement and the transactions and instruments contemplated hereby shall be specifically performable and enforceable

against and binding upon, and not subject to rejection or avoidance by, the Seller or any chapter 11 trustee of the Seller and their applicable estate.

(ii) Specific Orders of the Bankruptcy Court:

(A) Approving this Agreement and all of the terms and conditions hereof in all respects, and approving and authorizing the Seller to consummate the transactions contemplated by this Agreement, including the sale of the Purchased Assets free and clear of all Liens and Excluded Liabilities;

(B) Ordering that none of Purchaser or its Affiliates, members or shareholders or the Purchased Assets will have any Liability whatsoever with respect to or be required to satisfy in any manner, whether at law or in equity, whether by payment, setoff or otherwise, directly or indirectly, any lien or Excluded Liability;

(C) Retaining core jurisdiction, pursuant to its statutory powers under 28 U.S.C. § 157(b)(2) (2005), over resolution of any controversy or claim arising out of or relating to this Agreement, or the breach hereof as provided in Section 8.8 of the Agreement;

(D) Extending, as and to the extent necessary the time period under Section 365 of the Bankruptcy Code by which the Seller must assume (or assume and assign) or reject any Contract to at least the last date under which Purchaser shall have the option to include such Contract in the Purchased Assets;

(E) Ordering that, notwithstanding the provisions of Federal Rules of Bankruptcy Procedure 6004(h) and 6006(d), the Sale Order is not stayed and is effective immediately upon entry;

(F) Authorizing the Purchaser to direct Agent to commence GOB Sales at the Store Closing Locations at any time from and after the next Business Day following entry of the Sale Order;

(G) Approving the Seller's assumption of all Purchased Leases which are to be assigned to Purchaser or its designee as part of the Sale Order on or after the Closing Date pursuant to Section 365 of the Bankruptcy Code, and their assignment to Purchaser or its designee, as the case may be;

(H) Approving the Seller's assumption of all Purchased Contracts which are to be assigned to Purchaser or its designee as part of the Sale Order on or after the Closing Date pursuant to Section 365 of the Bankruptcy Code, and their assignment to Purchaser or its designee, as the case may be;

(I) Approving and authorizing the Seller to take all other and further actions necessary to implement the transactions contemplated by this Agreement;

(J) Enjoining and forever barring the non-Seller party or parties to each Purchased Contract which is to be assigned on the Closing Date from asserting against Purchaser, any of its affiliates or any of the Purchased Assets: (i) any default existing as of or claim arising prior to the Closing Date, and (ii) any objection to the assumption and assignment of such non-Seller party's Assumed Contract;

(K) incorporating those items set forth in Sections 2.1(b) of the Agency Agreement.

(i) Seller shall have delivered, or caused to be delivered, to Purchaser all of the items set forth in Section 4.2.

Section 10.2 Conditions Precedent to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or on the Closing Date, of each of the following conditions (any or all of which may be waived by Seller in whole or in part to the extent permitted by applicable Law):

(a) the representations and warranties of Purchaser set forth in this Agreement qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, at and as of the Closing Date as though made on the Closing Date, except to the extent such representations and warranties relate to an earlier date (in which case such representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date);

(b) Purchaser shall have performed and complied in all respects with all obligations and agreements required by this Agreement to be performed or complied with by Purchaser on or prior to the Closing Date; and

(c) Purchaser shall have delivered, or caused to be delivered, to Seller all of the items set forth in Section 4.3.

(d) Pruchaser shall have entered into the Agency Agreement providing for the disposal of the GOB Assets, a copy of which is attached hereto as Exhibit D, as may be amended from time to time;

(e) all Required Consents shall have been obtained or satisfied; and

(f) all required notices shall have been given and filings made and, as the case may be, all applicable waiting periods shall have expired without adverse action by, and all favorable orders, consents and approvals in the form required to consummate the transactions contemplated by this Agreement and operate the Business shall have been received (if required by contract, applicable law or otherwise) from all federal, state and local governmental and regulatory agencies.

Section 10.3 Conditions Precedent to Obligations of Purchaser and Seller. The respective obligations of Purchaser and Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser and Seller in whole or in part to the extent permitted by applicable Law):

(a) there shall not be in effect any Order by a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby and there shall not have been adopted any law or regulation making all or any portion of the transactions contemplated by this Agreement illegal;

(b) [Reserved];

(c) the Bankruptcy Court shall have entered the Sale Order and any stay period applicable to the Sale Order shall have expired or shall have been waived by the Bankruptcy Court; and

(d) Seller and Purchaser shall have entered into a transition services agreement, in form and substance satisfactory to each of Seller and Purchaser, to permit Seller to satisfy its obligations under the Agency Agreement.

(e) [OMITTED].

Section 10.4 Frustration of Closing Conditions. Neither Seller nor Purchaser may rely on the failure of any condition set forth in Section 10.1, Section 10.2 or Section 10.3, as the case may be, if such failure was caused by such party's failure to comply with any provision of this Agreement.

ARTICLE XI

NO SURVIVAL

Section 11.1 No Survival of Representations and Warranties. The parties hereto agree that the representations and warranties contained in this Agreement shall not survive the Closing hereunder, and none of the parties shall have any liability to each other after the Closing for any breach thereof. The parties hereto agree that the covenants contained in this Agreement to be performed after the Closing shall survive the Closing hereunder, and each party hereto shall be liable to the other after the Closing for any breach thereof.

Section 11.2 No Consequential Damages. Notwithstanding anything to the contrary elsewhere in this Agreement, no party shall, in any event, be liable to any other Person for any consequential, incidental, indirect, special or punitive damages of such other Person, including loss of future revenue, income or profits, diminution of value or loss of business reputation or opportunity relating to the breach or alleged breach hereof.

ARTICLE XII

TAXES

Section 12.1 Transfer Taxes. Purchaser shall be responsible for (and shall indemnify and hold harmless Seller and its directors, officers, employees, Affiliates, agents, successors and permitted assigns against) any sales, use, stamp, documentary stamp, filing, recording, transfer or similar fees or taxes or governmental charges (including any interest and penalty thereon) payable in connection with the transactions contemplated by this Agreement ("Transfer Taxes").

Section 12.2 Prorations. All real and personal property Taxes or similar ad valorem obligations levied with respect to the Purchased Assets for any taxable period that includes the Closing Date and ends after the Closing Date, whether imposed or assessed before or after the Closing Date, shall be prorated between Seller and Purchaser as of 12:01 a.m. (Pacific Standard time) on the Closing Date or, in respect of any Real Property Lease, the date such Purchased Lease is assigned to the Purchaser. If any Taxes subject to proration are paid in full by Purchaser, on the one hand, and Seller, on the other hand, the proportionate amount of such Taxes paid (or in the event of a refund of any portion of such Taxes previously paid is received, such refund) shall be paid promptly by (or to) the other after the payment of such Taxes (or promptly following the receipt of any such refund).

Section 12.3 Purchase Price Allocation. Seller and Purchaser shall allocate the purchase price (including the Assumed Liabilities) among the assets acquired under Section 3.1 as Seller and Purchaser shall reasonably agree and, in accordance with such allocation, Purchaser shall prepare and deliver to Seller copies of Form 8594 and any required exhibits thereto (the "Asset Acquisition Statement"). Purchaser shall prepare and deliver to Seller from time to time revised copies of the Asset Acquisition Statement (the "Revised Statements") so as to report any matters on the Asset Acquisition Statement that need updating (including purchase price adjustments, if any) consistent with the agreed upon allocation. The purchase price for the acquired assets shall be allocated in accordance with the Asset Acquisition Statement or, if applicable, the last Revised Statements, provided by Purchaser to Seller, and all income Tax Returns and reports filed by Purchaser and Seller shall be prepared consistently with such allocation, except to the extent a final determination by a Tax authority requires a different allocation.

Section 12.4 Cooperation. Seller and Purchaser agree to furnish, or cause their Affiliates to furnish, to each other upon request, as promptly as practicable, such information and assistance relating to the Purchased Assets or the Business (including access to books and records) as is reasonably necessary for the filing of all Tax Returns and other Tax filings, the making of any election related to Taxes, the preparation for any audit by any Tax authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax Return. Seller and Purchaser shall reasonably cooperate, or cause their Affiliates to reasonably cooperate, with each other in the conduct of any audit or other proceeding related to Taxes and each shall execute and deliver such other documents as are necessary to carry out the intent of this Section 12.4. Seller and Purchaser shall provide, or cause their Affiliates to provide, timely notice to each other in writing of any pending or threatened Tax audits, assessments or litigation with respect to the Purchased Assets or the Business for any Tax period for which the other party may have liability under this Agreement. Seller and Purchaser shall furnish, or cause their respective Affiliates to furnish, to each other copies of all correspondence received from any Tax authority in connection with any Tax audit, assessment or litigation or information request with respect to any Tax period for which the other party or its Affiliates may have liability under this Agreement.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Expenses. Except as otherwise provided in this Agreement, each of Seller and Purchaser shall bear its own expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby.

Section 13.2 Injunctive Relief. Damages at law may be an inadequate remedy for the breach of Section 8.2 of this Agreement and, accordingly, any party hereto shall be entitled to injunctive relief with respect to any such breach, including without limitation specific performance of the covenants, promises or agreements or an order enjoining a party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained therein. The rights set forth in this Section 13.2 shall be in addition to any other rights which a Party may have at law or in equity pursuant to this Agreement.

Section 13.3 Submission to Jurisdiction; Consent to Service of Process.

(a) Without limiting any party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any

breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 13.7 hereof; provided, however, that if the Bankruptcy Case has closed, the parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the Central District of California sitting in Los Angeles County or the Superior Court of the State of California sitting in Los Angeles County and any appellate court from any thereof, for the resolution of any such claim or dispute. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by personal delivery of a copy thereof in accordance with the provisions of Section 13.7.

Section 13.4 Waiver of Right to Trial by Jury. Each party to this Agreement waives any right to trial by jury in any action, matter or proceeding regarding this Agreement or any provision hereof.

Section 13.5 Entire Agreement; Amendments and Waivers. This Agreement, the Agency Agreement, (including the schedules and exhibits hereto and thereto) represent the entire understanding and agreement between the parties hereto with respect to the subject matter hereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

Section 13.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in such State without regard to conflicts of laws principles thereof.

Section 13.7 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand (with written confirmation of receipt), (ii) when sent by facsimile (with written confirmation of transmission) or (iii) one business day following the day sent by overnight courier (with written confirmation of receipt), in each case at the following addresses and facsimile numbers (or to such other address or facsimile number as a party may have specified by notice given to the other party pursuant to this provision):

If to Seller, to:

Barbeques Galore, Inc.

2173 Salk Avenue, Suite 200
Carlsbad, CA 92008
Facsimile: (760) 795-3499
Attention: Jeffery Sears

With a copy (which shall not constitute notice) to:

Pachulski Stang Ziehl & Jones
10100 Santa Monica Boulevard, 11th Floor
Los Angeles, CA 90067
Facsimile: (310) 201-0760
Attention: Jeffrey Dulberg, Esq.

If to Purchaser, to:

Grand Home Holdings Inc.
3838 West Miller Road
Garland, TX 75041
Facsimile: (972) 279-8440

With a copy (which shall not constitute notice) to:

Wasserman Comden & Casselman, LLP
801 S. Garfield Ave., Suite 328
Alhambra, CA 91801
Facsimile: (626) 308-9538
Attention: Tim T. Chang, Esq.

Notices to the Sub-Agent shall be provided as set forth in the Agency Agreement.

Section 13.8 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any law or public policy, all other terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 13.9 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any Person or entity not a party to this Agreement except as provided below. No assignment of this Agreement or of any rights or obligations hereunder may be made by either Seller or Purchaser (by operation of law or otherwise) without the prior written consent of the other parties hereto and any attempted assignment without the required consents shall be void; provided, however, that Purchaser shall be permitted to assign its rights under this Agreement to acquire all or a portion of the Purchased Assets to one or more Affiliates or Agent. No assignment of any obligations hereunder shall relieve the parties hereto of any such obligations. Upon any such permitted assignment, the references in this Agreement to Purchaser shall also apply to any such assignee unless the context otherwise requires. In the event that a Chapter 11 trustee should be appointed for Seller, or in the event that Seller's Chapter 11 case should be converted to

a case under Chapter 7, the obligations of Seller hereunder shall be binding upon such trustee or successor Chapter 7 estate and such trustee or successor Chapter 7 estate shall have all rights of Seller hereunder.

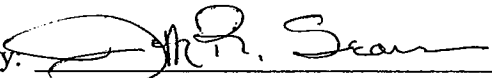
Section 13.10 Non-Recourse. No past, present or future director, officer, employee, incorporator, member, partner or equityholder of Seller shall have any liability for any obligations or liabilities of Seller under this Agreement or the Seller Documents of or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby.

Section 13.11 Counterparts. This Agreement may be executed in as many counterparts as may be required, which counterparts may be delivered by facsimile or electronic mail, and it shall not be necessary that the signature of, or on behalf of, each party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more such counterparts. All such counterparts when taken together shall constitute a single and legally binding agreement.


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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

BARBEQUES GALORE, INC.

By: 
Name: Jeffrey Sears
Title: CEO & President

GRAND HOME HOLDINGS INC.

By: 
Name: Heather Elliott
Title: President

Schedule 1.1(e)

Excluded Contracts

TO BE DETERMINED

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Schedule 1.1(f)

Excluded Leases

[To be updated]

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Schedule 1.1(g)

Knowledge of Seller

N/A

Schedule 1.1(h)

Purchased Contracts

TO BE DETERMINED

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Schedule 1.1(i)

Real Estate Occupancy Expenses

See Attachment 2

ATTACHMENT 2

[See Attached]

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Store	Per Diem	Base Rent	CAM	Taxes, Waste, Other	Real Estate Tax	Utilities	Percent Rent	Break Even
10126	619.98	432.03	119.84	9.81	4.38	53.92	0.0%	-
10128	425.52	277.78	81.21	-	6.74	59.79	0.0%	-
10132	464.02	346.09	48.47	15.23	1.51	52.72	5.0%	2,492,000
10140	439.76	325.63	63.32	-	1.69	49.12	0.0%	-
10147	406.52	279.45	94.30	11.20	-	21.57	0.0%	-
10152	572.42	368.11	120.17	-	-	84.14	0.0%	-
10153	686.25	550.00	99.95	-	2.43	33.87	0.0%	-
10156	516.96	383.67	52.61	-	-	80.68	0.0%	-
10159	958.87	443.92	80.37	384.22	1.59	48.77	0.0%	-
10161	490.61	337.35	56.71	-	1.16	95.39	0.0%	-
10162	564.28	413.80	83.36	-	-	67.12	0.0%	-
10164	412.87	277.78	88.43	1.99	0.62	44.05	0.0%	-
10167	580.42	431.26	75.18	(0.17)	-	74.15	0.0%	-
10172	458.97	325.13	64.19	-	9.61	60.04	5.0%	2,340,000
10173	500.22	345.83	46.11	-	6.84	101.44	0.0%	-
10174	365.53	246.46	73.89	-	0.39	44.79	0.0%	-
10182	558.83	423.34	60.42	-	3.49	71.58	0.0%	-
10186	796.10	527.86	169.62	-	25.85	72.77	0.0%	-
10188	601.94	411.69	118.95	16.63	5.85	48.82	0.0%	-
10190	715.63	494.50	98.00	16.00	5.98	101.15	0.0%	-
10191	587.74	423.50	59.41	-	5.06	99.77	0.0%	-
10195	1,000.52	649.29	265.44	-	12.43	73.36	0.0%	-
10196	612.97	416.67	143.21	-	3.15	49.94	0.0%	-
10197	373.65	290.33	14.83	-	0.43	68.06	0.0%	-
10198	429.57	298.61	36.24	11.64	0.24	82.84	6.0%	2,000,000
10200	665.84	471.60	126.06	-	11.64	56.54	0.0%	-
10201	460.15	312.37	83.78	-	0.36	63.64	0.0%	-
10202	687.56	500.00	88.00	-	1.80	97.76	0.0%	-
10206	808.19	600.70	151.86	-	-	55.63	0.0%	-
10207	694.06	533.33	98.22	-	-	62.51	0.0%	-
10208	370.26	274.67	20.84	20.84	-	53.91	0.0%	-
10209	800.31	569.03	158.85	-	-	72.43	0.0%	-
10210	558.07	380.71	103.97	3.62	-	69.77	0.0%	-
10211	673.69	466.67	111.50	-	-	95.52	0.0%	-

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Schedule 1.1(j)

Real Property Leases

<u>STORE</u>	<u>ADDRESS</u>	<u>LANDLORD</u>
1. WESTHEIMER Miracle Mile Shopping Center	6429 Westheimer Houston TX 77057 (713) 953-7030	Regional Mariner Village c/o Unilev Management Corp. 3555 Timmons, Suite 110 Houston, TX. 77027 Pat Sabatino 713.850.7878
2. LEWISVILLE Vista Ridge Village	2267 S. Stemmons Fwy, #604 Lewisville TX 75067 (972) 315-3364	Vista Ridge OP&F, Inc. 1201 Main Street, Suite 930 Dallas TX 75202 c/o: Jenco Realty, Inc. Jennifer Reynolds (214) 363-0309
3. SAN ANTONIO II Huebner Oaks	11075 Interstate 10 West, Suite 304 San Antonio TX 78230 (210) 691-5002	National MS Inland Fund c/o Inland Southwest Management 1421 Paysphere Circle Chicago, IL 60674 Lori Wade 210.341.1166
4. SCOTTSDALE Pavilions I Center	9010 E. Indian Bend, Suite 2 Scottsdale AZ 85250 (480) 596-8631	Local Derito Partners 3200 East Camelback, Suite 175 Phoenix, AZ. 85018 Stan Sanchez 602.553.2953
5. GLENDALE	201 N. Central Ave. Glendale CA 91203 (818) 549-9908	Local Chunny Lam Wong 2002 Trust c/o: Louie Properties 5936 Temple City Blvd. Temple City, CA 91780 Ching Louie (626) 291-5555
6. AUSTIN II Sunset Valley Village	5601 Brodie Lane, Ste. 1200 Austin TX 78745 (512) 899-9516	National RREEF America REIT II Portfolio, LP c/o RREEF Management CO. 1406 Halsey Way, Suite 110 Carrollton, TX. 75007 LaRee Stein 469.546.8441
7. CHARLOTTE / ARBOR Arboretum Center	8046 Providence Road Charlotte NC 28277 (704) 544-0788	Arboretum Joint Venture 5950 Fairview Rd. Suite 200 Charlotte, NC. 28210 Patrick Russell 704.295.4006 or Kempton White 704.295.4061

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| 8. | UPLAND
Mountain Square Center | 324 S. Mountain Ave.
Upland CA 91786
(909) 985-1522 | CT Retail Properties Finance II, LLC
Katie Noel 949.252.3872 |
| 9. | SPRINGFIELD
Springfield Commons | 6699-G Frontier Drive
Springfield VA 22150
(703) 719-6889 | National
Closing at end of lease Stewart
Kentner 703.288.4600 |
| 10. | CHAMPIONS
North Oaks Shopping Center | 4765 FM 1960 West, Ste. H
Houston TX 77069
(281) 880-9291 | National
Weingarten Realty Investors
2600 Citadel Plaza Drive, Suite 300
Houston, TX 77008
Brody Farris (713) 866-6945 |
| 11. | SANTA FE SPRINGS Meyer
Business Park | 14040 E. Firestone Blvd.,
Santa Fe Springs CA 90670
(562) 921-7141 | Local
3187 Redhill ,LLC
c/o: Optima Asset Management
Services, Inc.
14058 E. Firestone Blvd.
Santa Fe Springs, CA 90670
Vicki Davis (562) 239-3449
Corporate:
1600 Dove Street, Suite 480
Newport Beach, CA 92660
(949) 852-0900 |
| 12. | COLUMBIA
Columbia Crossing | 6131 Columbia Crossing Cr
#T-2
Columbia MD 21045
(410) 312-0150 | Kimco Realty
Elsa Sober 410.684.2000 CLOSING
AT END OF LEASE |
| 13. | ESCONDIDO
Escondido Promenade | 1286 B. Auto Parkway
Escondido CA 92029
(760) 480-1650 | Festival Management Corp
Shahram Moussavi 408.551.4679 |
| 14. | CHANDLER
Chandler Pavilions | 800 N. 54th Street, Suite C-5
Chandler AZ 85226
(480) 940-2470 | Chandler Pavilions Inc.
c/o Grubb & Ellis
Jackie Hines 602.955.5772 x 11 |
| 15. | BREA
Brea Union Plaza | 2315 Imperial Hwy. #A
Brea CA 92821
(714) 256-0786 | Brea Union Plaza II, LLC
101 N. Westlake Blvd., Suite 201
Westlake Village, CA 91362
Caroline Sachs 805.374.1700 |
| 16. | DUBLIN
Hacienda Crossing Center | 4978 Dublin Blvd., Suite A
Dublin CA 94568
(925) 556-0678 | BIT Holdings Sixty-three, LP
c/o Colliers International Asset
Management, Inc.
1850 Mt. Diablo Blvd., suite 200
Walnut Creek, CA. 94596
Melody Teixeira 925.227.6249 |

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| 17. GAITHERSBURG
Kentlands Market Square
Subtenant - Omaha Steaks | 178 Kentlands Blvd.
Gaithersburg MD 20878
(240) 631-2700 | National
Kentlands II, LLC
6824 Elm St. Suite 200
McLean, VA. 22101
David Freedman 703.282.6663
POSSIBLE CLOSING AT END OF
LEASE |
| 18. PHOENIX
Camelback Terrace | 311 E. Camelback Rd.
Phoenix AZ 85012
(602) 266-9965 | Regional
Camelback Five Properties, LLC
c/o Personal Touch Property
Services
P. O. Box 88033
Phoenix, AZ 85080
Sandi Pruitt (602) 588-0899 |
| 19. CORONA
Corona Hills Plaza | 390 McKinley, Ste. 108
Corona CA 92879
(951) 549-9901 | Price REIT, Inc
Katie Noel 949.252.3872 |
| 20. SANTA ROSA | 2510 Santa Rosa Ave.,
Suite B
Santa Rosa CA 95404
(707) 578-5248 | Local
Fox Partners, LP.
65 Inverness Drive,
San Rafael, CA 94901
Ira Scholnick 415.302.8904 |
| 21. UNIVERSITY PARK Lovers
Lane | 4360 Lovers Lane
Dallas TX 75225
(214) 696-0030 | Christon Company
4300 Alpha Road, Suite 100,
Dallas, TX 75244
Jim Christon 972.233.3333 x 3 |
| 22. ATLANTA I
Roswell Road | 6550 Roswell Rd. Atlanta
GA 30328
(404) 255-2665 | MJM Development
460 Laurel Chase Ct.
Atlanta GA 30327
Mark S. Kanov Home 404.459.8780
mbl 404.931.3030 |

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| 23. ATLANTA II
Venture Point | 3885 Venture Dr. NW Duluth
GA 30096
(770) 814-2665 | DDRTC Venture Pointe LLC
3300 Enterprise Parkway
Beachwood, OH. 44122
Yolanda Smith 216.755.6467 |
| 24. WALNUT CREEK | 1539 Botelho Drive Walnut
Creek CA 94596
(925) 935-7067 | Main Street Plaza
21 Lafayette Circle, Suite 200
Lafayette, Ca 94549
Lisa Cortese 925.283.8777 |
| 25. AUSTIN I
Arboretum Crossing | 9333 Research Blvd.,
Bldg. C #200
Austin TX 78759
(512) 345-1146 | National
KIR Arboretum Crossing L.P.
c/o Kimco Realty Corporation
3333 New Hyde Park Road, Suite
100
P.O. Box 5020
New Hyde Park, NY 11042-0020 |
| 26. FRESNO
Universal Park Center | 7723 N. Blackstone Avenue
Suite 101
Fresno CA 93720
(559) 438-6383 | Zinkin Law Offices
5 River Park Place West, Suite 203
Fresno, CA. 93720
Terrie Baro 559.224.8100 |
| 27. FRISCO
Centre at Preston Ridge | 8600 Gaylord Pkwy., Suite 1,
Frisco TX 75034
(972) 668-4720 | National
BPR Shopping Center c/o
Centro Properties Group
3333 Preston Rd. Suite 1400
Frisco TX. 75034
Brian Heipzman 214.618.6523 |
| 28. ARROWHEAD
Arrowhead Crossing | 7635 W. Bell Road,
Suite 101
Peoria AZ 85382
(623) 412-4945 | DDRA Arrowhead Crossing, LLC
3300 Enterprise Parkway
Beachwood, OH. 44122 |
| 29. WEST LOS ANGELES Pico
Boulevard
Subtenant - Omaha Steaks | 11021 W. Pico Blvd.
Los Angeles CA 90064
(310) 914-9693 | Local
Dr. John Paul Kassabian
1485 East California Blvd,
Pasadena, CA. 91106
626.792.9540
mbl 626.893.2121 |
| 30. ELK GROVE
Laguna Gateway Shopping
Center Subtenant - Omaha
Steaks | 9158 West Stockton Blvd.
Elk Grove CA 95758
(916) 691-5700 | Local Pappas Lagun, LP
2020 L Street, Suite 500
Sacramento, CA 95814
John Pappas 916.447.1058 |

31. ALMADEN Almaden 5353 Almaden Expressway Brothers International dba
Plaza Suite E37 San Jose CA Almaden Plaza Shopping Center
Subtenant - Omaha Steaks 95118 (408) 264-0420 180 Montgomery St. Suite 828
San Francisco, CA. 94104
415.986.0647
Timothy Downey 408.264.3766
32. N. PHOENIX 21001 N. Tatum Blvd., Vestar-DRM-OPCO,LLC
Desert Ridge Marketplace #16-1000 2425 East Camelback Rd. Suite 750
Subtenant - Omaha Steaks Phoenix AZ 85050 Phoenix AZ. 85016
(480) 513-3004 Rick Hearn 602.866.0900
33. LAS VEGAS I 2580 S. Decatur Blvd. Las National
Sahara Pavilions Square Vegas NV 89102 Pan Pacific Retail Properties, Inc.
Center (702) 367-2260 4760 W. Sahara Avenue, Suite 25
Las Vegas, NV 89102
Natalie Allred (702) 258-4330
34. FAIRFAX 12219-21 Fair Lake FL Promenade L.P. c/o
Fair Lakes Promenade Promenade Dr. The Peterson Companies
Fairfax VA 22033 12500 Fair Lakes Circ. Fairfax, VA.
(703) 278-0024 22033
Stephanie Cramer 703.227.2000
35. GRAPEVINE 1419 State Hwy. 114 W, Grapevine/Tate Joint Venture
Grapevine Town Center Ste 412 c/o Cencor
Grapevine TX 76051 3102 Maple Avenue, Suite 500
(817) 421-9052 Dallas Texas 75201
Syd Hurley (408)732-7343
36. PASADENA 30 S. Rosemead Blvd. Local
PasadenaCA91107 Martin and Tamara Felikian
(626) 568-1422 Charles and Victoria Felikian
188N. Rosemead Blvd.
Pasadena, CA 91107
Greg Felikian (626) 255-5767
37. PASADENA PARKING 31 S. Rosemead Blvd. Local
LOT Pasadena CA 91108 Martin and Tamara Felikian
(626) 568-1423 Charles and Victoria Felikian
188N. Rosemead Blvd.
Pasadena, CA 91107
Greg Felikian (626) 255-5767
38. SAN ANTONIO I 327 NW Loop 410, Suite 101 BB FONDS International I USA, LP
San Pedro Crossing San Antonio TX 78216 c/o Lincoln Property Co.
(210) 375-2070 10333 Richmond Ave. Suite 115
Houston, TX. 77042
Michelle Thrasher 281.873.2114

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|--|---|---|
| 39. AVONDALE (N)
Gateway Crossing Shopping
Center | 10005 W. McDowell Rd
#104
Avondale AZ 85392
(623) 478-8130 | Local
Raintree Pad 2, LLC
4647 North 32nd Street, Suite 150
Phoenix, AZ 85018
Jessica Walters (913) 262-6685
Eric Falbe (602) 667-6685
Michael Clark (602) 682-6075 |
| 40. SAN RAFAEL | 620 W. Francisco Blvd.
San Rafael CA 94901
(415) 453-0261 | Lee P. Nobmann & Melodee
Nobmann
c/o: Eclipse Property Management
1001 Marina Village Parkway, Suite
115
Alameda, CA, 94501
Terence L. Tom (510) 865-8700 |
| 41. PLANO
Preston Sheppard Place | 1801 Preston Rd., Suite A
Plano TX 75093
(972) 735-8185 | Preston Sheppard Retail LP c/o
Weingarten Realty Investors P.O.
Box 924133 Houston, TX 77292-
4133 Daniel Goldware
972.643.3305 |
| 42. STERLING
Potomac Run Center
Subtenant - Omaha Steaks | 46301 Potomac Run Plaza
#190
Sterling VA 20164
(703) 421-8950 | Kimco Realty
170 West Ridgely Rd. Suite 210
Lutherville, MD. 21093
Jarrett Parket 410.684.2000 |
| 43. ENCINITAS
Encinitas Ranch II | 1076 N. El Camino Real
Encinitas CA 92024
(760) 633-4440 | Regional
Encinitas Town Center Assoc.
c/o: Zelman Retail Partners, Inc.
707 Wilshire Blvd., Suite 3036
Los Angeles, CA 90017
Brett Foy (213) 533-8119 |
| 44. VALENCIA | 25550 N. The Old Rd.
Stevenson Ranch CA 91381
(661) 284-6880 | Valencia Marketplace I, LLC
101 N. Westlake Boulevard,
Suite 201
Westlake Village, CA 91362
Kathleen Young (805) 374-1700 |
| 45. VACAVILLE (N)
Nut Tree Village | 1641 East Monte Vista Ave.
D
Vacaville CA 95688
(707) 455-8314 | Nut Tree Retail, LLC c/o Westrust
580 California St. Suite 1700
San Francisco, CA. 94104
Sean Whiskeman 415.489.1705 |
| 46. CARY
Crossroads Plaza | 111 Crossroads Blvd.
Cary NC 27518
(919) 852-1126 | Cary Crossroads (DE), L.P.
c/o Ronus Properties
3290 Northside Parkway Suite 250
Atlanta GA. 30327
Nancy Morton 919-233-8087 |

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|---|---|--|
| 47. ROSEVILLE
Stanford Ranch Crossing | 6756 Stanford Ranch Rd.,
Suite 1
Roseville CA 95678
(916) 781-9022 | Regional
PL Roseville LP
c/o KIMCO Realty Corporation
Armand Vazquez 916.580.2534 |
| 48. FORT WORTH
Southwest Crossing | 5824 South West Loop 820
Fort Worth TX 76132
(817) 569-9960 | Inland Southwest Management LLC
5741 Legacy Dr., Suite 315, Plano
TX 75024
Barbara Gentry 972.442.6770 |
| 49. TARZANA
Ross Center | 19215 Ventura Blvd.
Tarzana CA 91356
(818) 345-7314 | Lee Family Trust
Kenneth Lee (213) 700-3110 |
| 50. KEARNY MESA
Crossroads Center | 7450 Clairemont Mesa Blvd.
San Diego CA 92111
(858) 571-2727 | Local
San Diego Crossroads Center, L.P.
10951 Sorrento Valley Road, Suite
A
San Diego, CA 92121
Greg Cartwright (858) 452-1231
ext. 217
(619) 851-4129 cell |
| 51. FOLSOM | 2405 Iron Point Rd., Ste. 100
Folsom CA 95630
(916) 817-2861 | Bradock & Logan Venture Group c/o
The Evergreen Co.
1755 Creekside Oaks Drive, Suite
290 Sacramento, CA 95833
Bill Andrews 916.923.9000 |
| 52. WESTLAKE VILLAGE
North Ranch Gateway | 30895 Thousand Oaks Blvd.
Westlake Village CA 91362
(818) 706-3046 | Local
Crow Holdings Industrial
c/o: Shelter Bay Retail Group
3210 W. Burbank Blvd, 2nd Floor
Burbank, CA 91505
Cyndy May (818) 524-2255 ext. 15 |
| 53. ALPHARETTA
The Plaza at Windward II
shopping Center | 5530 Windward Pkwy, Ste E
400
Alpharetta GA 30004
(678) 459-1950 | Antelope Valley Plaza
c/o Collins Blackwell Commercial
LLC 1020 Powers Place,
Alpharetta GA 30004
Roxanna Collins 678-672-2204 x 1 |
| 54. PRUNEYARD
Pruneyard Center | 1875 S. Bascom Avenue,
Suite 280
Campbell CA 95008
(408) 559-7092 | Equity Office Properties As Agent
for EOP-Pruneyard, LLC
1740 Technology Dr. Suite 150
San Jose, CA. 95110
Marissa Travers 408.487.4127 |

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55. LA MESA
5300 Jackson Drive, Suite A, Local
La Mesa CA 91942 The Dechant Family Trust
(619) 698-9102 3129 Bremerton Place
La Jolla, CA 92037-2211
Steve Dechant 858.693.7600
Donald H. & Lois S. Dechant,
Trustees
(858) 453-0247
56. TEMECULA
Overland Center 26490 Ynez Rd # F
Temecula CA 92591 Ashlok K. Gupta
951-506-9294 5188 Renaissance Ave.
San Diego, CA. 92122
858.455.7320
57. PALO ALTO
2080 El Camino Real Local
Palo Alto CA 94306 Tracy May
(650) 843-0560 933 Arlington Ct.
Sunnyvale, CA 94087
Tracy May (408) 732-7343
58. LA QUINTA (N)
La Quinta Shopping Center 78900 Highway 111 Local
La Quinta CA 92253 Washington Adams, LLC
(760) 399-9476 c/o: Shovlin-Desert Cities
Development
71084 Tamarisk Lane
Rancho Mirage, CA 92270
Michael Shovlin (760) 771-4215
ext. 107
59. TORRANCE
18225 Hawthorne Blvd. TD&A Corporation
Torrance CA 90504 c/o: Adams Services
(310) 793-9551 406 E. Alondra Boulevard
Gardena, CA 90248
Gary Adams (714) 240-1277
60. CENTENNIAL (N)
Centennial Gateway Shopping Center 5750 Centennial Center Blvd. Centennial Gateway LLC
Las Vegas NV 89149 c/o Territory Incorporated
(702) 982-6580 5785 Centennial Center Blvd., Suite
230 Las Vegas, NV 89149
Sheena Zauder 702-822-8200
61. CHANDLER EAST (N)
Gilbert Gateway Towne Center 2640 E. Germann Rd., Vestar CTC Chandler Phase I, LLC
Suite #1 2425 East Camelback Rd. Suite 750
Chandler AZ 85249 Phoenix, AZ. 85016
(480) 722-1062 Rick Hearn 602.993.1626
62. 4S Ranch (N)
4S Commons Center 10455 Reserve Drive # 152 4S Regency Partners, LLC
San Diego CA 92127 c/o Regency Centers Corporation
(858) 674-7399 Travis Farrell 858.847.4600

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|---|---|---|
| 63. STUDIO CITY
Ventura Boulevard | 13139 W. Ventura Blvd.
Studio City CA 91604
(818) 986-4001 | MNG Properties
c/o The Midtown Niki Group, LP
3655 Nobel Drive, Suite 650
San Diego, CA 92122
Gena Sherman 858-546-0033 |
| 64. LAS VEGAS II
Silverado Ranch Station
Subtenant - Omaha Steaks | 9815 S. Eastern Avenue
Las Vegas NV 89183
(702) 407-7000 | MNG Properties
c/o The Midtown Niki Group, LP
3655 Nobel Drive, Suite 650
San Diego, CA 92122
Gena Sherman 858-546-0033 |
| 65. SIMI VALLEY (N)
Simi Valley Towne &
Country Center | 1555 Simi Town Center Way
#H3
Simi Valley CA 93065
(805) 526-1592 | Local
Samnat Properties I, LLC
18375 Ventura Blvd., Suite 634
Tarzana, CA 91356
Danny (818) 889-9975 |
| 66. RANCHO CUCAMONGA
(N) Victoria Gardens Mall | 8048 Monet Ave
Rancho Cucamonga CA
91739
(909) 803-5976 | Blue Sky Legacy, LLC
11404 E. Imperial Hwy
Norwalk, CA 90651-2611
Mr. Orval Paul; Loretta
562-868-0035
562-864-6698 fax |
| 67. ARLINGTON
Warehouse | GSW Distribution Center #36
3001 E. Pioneer Parkway
Arlington, TX 76010 | ProLogis 2310 LBJ Freeway, Suite
200 Dallas TX 75234 |
| 68. Los Angeles
Hub | 2450 Peck Road
City of Industry, Ca 90601 | Charles Dunn Equities I, LLC
File# 57521
Los Angeles, CA 90074-7521
213-683-0500 |
| 69. Los Angeles
Sub-Hub | 2498 Peck Road
City of Industry, Ca 90601 | Charles Dunn Equities I, LLC
File# 57521
Los Angeles, CA 90074-7521
213-683-0500 |
| 70. San Diego
Hub | 2581 Pioneer Ave. Ste. A
Vista, CA 92081 | Property Reserve Inc., Coral Tree
Commerce Center File# 50573 Los
Angeles, CA 90074-0573
858-450-3142 |
| 71. Store Support Center
San Diego | 2173 Salk Ave. Suite 200
Carlsbad, CA. 92008 | Rio San Diego Plaza II Master, LLC
c/o Newport National Corporation
1525 Faraday Ave. Suite 100
Carlsbad CA 92008 Scott Brusseau |
| 72. Fredericksburg Central
Park Center STORE
NEVER OPENED | 1440 Carl D. Silver Parkway
Fredericksburg VA 22401 | |

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|-----|---|---|---|
| 73. | Princeton
Pavilion STORE
NEVER OPENED | Nassau
Route 1 & Quakerbridge Rd
Suite 26F
West Windsor NJ | DDR Nassau Pavilion Associates LP
3300 Enterprise Parkway
Beachwood, OH 44122 |
| 74. | WELLINGTON
STORE CLOSED 7.31.08 | 10530 Forest Hills Blvd.,
Suite C-2
Wellington FL 33414 | Local - Partner w/ Taubman
(National) Cedar Development Ltd
777 Glades Rd, Suite 310
Boca Raton, FL 33434
561.488.9100
F 561.482.0181 |
| 75. | JACKSONVILLE STORE
CLOSED 7.31.08 | 950 Marsh Landing Pkwy.
#305
Jacksonville Beach FL 32250 | |
| 76. | Charlotte
Warehouse
CURRENTLY SUB-LET | 1401 Tar Heel Rd.
Charlotte NC 28208 | LF Limited LP
William F. Law Jr.
c/o Sutton Von Kamecke Colliers
Cauble & Co.
Two Midtown Plaza Suite 1100
1349 West Peachtree St. NE
Atlanta GA 20209-2956
404.877.9247
F:404.870.2845 |
| 77. | WHITE MARSH | | National |
| 78. | PLANTATION
Subtenant - Omaha Steaks | | National |
| 79. | MIRAMAR | | Naval |
| 80. | HENDERSON | | Local
Sunset Plaza, LLC
c/o Grubb & Ellis
3930 Howard Hughes Pkwy, #180
Las Vegas, NV 89169
Christine Clament (702) 733-7500 |

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2.5(a)

PURCHASED LEASES

STORE	ADDRESS	LANDLORD
1. AUSTIN I Arboretum Crossing	9333 Research Blvd., Bldg. C #200 Austin TX 78759 (512) 345-1146	National KIR Arboretum Crossing L.P. c/o Kimco Realty Corporation 3333 New Hyde Park Road, Suite 100 P.O. Box 5020 New Hyde Park, NY 11042-0020
2. AUSTIN II Sunset Valley Village	5601 Brodie Lane, Ste. 1200 Austin TX 78745 (512) 899-9516	National RREEF America REIT II Portfolio, LP c/o RREEF Management CO. 1406 Halsey Way, Suite 110 Carrollton, TX. 75007 LaRee Stein 469.546.8441
3. BREA Brea Union Plaza	2315 Imperial Hwy. #A Brea CA 92821 (714) 256-0786	Brea Union Plaza II, LLC 101 N. Westlake Blvd., Suite 201 Westlake Village, CA 91362 Caroline Sachs 805.374.1700
4. CHANDLER Chandler Pavilions	800 N. 54th Street, Suite C-5 Chandler AZ 85226 (480) 940-2470	Chandler Pavilions Inc. c/o Grubb & Ellis Jackie Hines 602.955.5772 x 11
5. ENCINITAS Encinitas Ranch II	1076 N. El Camino Real Encinitas CA 92024 (760) 633-4440	Regional Encinitas Town Center Assoc. c/o: Zelman Retail Partners, Inc. 707 Wilshire Blvd., Suite 3036 Los Angeles, CA 90017 Brett Foy (213) 533-8119
6. FORT WORTH Southwest Crossing	5824 South West Loop 820 Fort Worth TX 76132 (817) 569-9960	Inland Southwest Management LLC 5741 Legacy Dr., Suite 315, Plano TX 75024 Barbara Gentry 972.442.6770
7. FRISCO Centre at Preston Ridge	8600 Gaylord Pkwy., Suite 1, Frisco TX 75034 (972) 668-4720	National BPR Shopping Center c/o Centro Properties Group 3333 Preston Rd. Suite 1400 Frisco TX. 75034 Brian Heipzman 214.618.6523

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2.5(a)

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| 8. GLENDALE | 201 N. Central Ave.
Glendale CA 91203
(818) 549-9908 | Local
Chunny Lam Wong 2002 Trust
c/o: Louie Properties
5936 Temple City Blvd.
Temple City, CA 91780
Ching Louie (626) 291-5555 |
| 9. GRAPEVINE
Grapevine Town Center | 1419 State Hwy. 114 W,
Ste 412
Grapevine TX 76051
(817) 421-9052 | Grapevine/Tate Joint Venture
c/o Cencor
3102 Maple Avenue, Suite 500
Dallas Texas 75201
Syd Hurley (408)732-7343 |
| 10. KEARNY MESA
Crossroads Center | 7450 Clairemont Mesa Blvd.
San Diego CA 92111
(858) 571-2727 | Local
San Diego Crossroads Center, L.P.
10951 Sorrento Valley Road, Suite
A
San Diego, CA 92121
Greg Cartwright (858) 452-1231
ext. 217
(619) 851-4129 cell |
| 11. LEWISVILLE
Vista Ridge Village | 2267 S. Stemmons Fwy,
#604 Lewisville
TX 75067
(972) 315-3364 | Vista Ridge OP&F, Inc.
1201 Main Street, Suite 930
Dallas TX 75202
c/o: Jenco Realty, Inc.
Jennifer Reynolds (214) 363-0309 |
| 12. Los Angeles
Hub | 2450 Peck Road
City of Industry, Ca 90601 | Charles Dunn Equities I, LLC
File# 57521
Los Angeles, CA 90074-7521
213-683-0500 |
| 13. N. PHOENIX
Desert Ridge Marketplace
Subtenant - Omaha Steaks | 21001 N. Tatum Blvd.,
#16-1000
Phoenix AZ 85050
(480) 513-3004 | Vestar-DRM-OPCO,LLC
2425 East Camelback Rd. Suite 750
Phoenix AZ. 85016
Rick Hearn 602.866.0900 |
| 14. PALO ALTO | 2080 El Camino Real
Palo Alto CA 94306
(650) 843-0560 | Local
Tracy May
933 Arlington Ct.
Sunnyvale, CA 94087
Tracy May (408) 732-7343 |

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2.5(a)

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| 15. PASADENA | 30 S. Rosemead Blvd.
Pasadena CA 91107
(626) 568-1422 | Local
Martin and Tamara Felikian
Charles and Victoria Felikian
188N. Rosemead Blvd.
Pasadena, CA 91107
Greg Felikian (626) 255-5767 |
| 16. PASADENA PARKING
LOT | 31 S. Rosemead Blvd.
Pasadena CA 91108
(626) 568-1423 | Local
Martin and Tamara Felikian
Charles and Victoria Felikian
188N. Rosemead Blvd.
Pasadena, CA 91107
Greg Felikian (626) 255-5767 |
| 17. PRUNEYARD
Pruneyard Center | 1875 S. Bascom Avenue,
Suite 280
Campbell CA 95008
(408) 559-7092 | Equity Office Properties As Agent
for EOP-Pruneyard, LLC
1740 Technology Dr. Suite 150
San Jose, CA. 95110
Marissa Travers 408.487.4127 |
| 18. San Diego
Hub | 2581 Pioneer Ave. Ste. A
Vista, CA 92081 | Property Reserve Inc., Coral Tree
Commerce Center File# 50573 Los
Angeles, CA 90074-0573
858-450-3142 |
| 19. SAN RAFAEL | 620 W. Francisco Blvd.
San Rafael CA 94901
(415) 453-0261 | Lee P. Nobmann & Melodee
Nobmann
c/o: Eclipse Property Management
1001 Marina Village Parkway, Suite
115
Alameda, CA, 94501
Terence L. Tom (510) 865-8700 |
| 20. SANTA FE SPRINGS Meyer
Business Park | 14040 E. Firestone Blvd.,
Santa Fe Springs CA 90670
(562) 921-7141 | Local
3187 Redhill ,LLC
c/o: Optima Asset Management
Services, Inc.
14058 E. Firestone Blvd.
Santa Fe Springs, CA 90670
Vicki Davis (562) 239-3449
Corporate:
1600 Dove Street, Suite 480
Newport Beach, CA 92660
(949) 852-0900 |
| 21. SANTA ROSA | 2510 Santa Rosa Ave.,
Suite B,
Santa Rosa CA 95404
(707) 578-5248 | Local
Fox Partners, LP.
65 Inverness Drive,
San Rafael, CA 94901
Ira Scholnick 415.302.8904 |

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2.5(a)

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| 22. Store Support Center
San Diego | 2173 Salk Ave. Suite 200
Carlsbad, CA. 92008 | Rio San Diego Plaza II Master, LLC
c/o Newport National Corporation
1525 Faraday Ave. Suite 100
Carlsbad CA 92008 Scott Brusseau |
| 23. STUDIO CITY
Ventura Boulevard | 13139 W. Ventura Blvd.
Studio City CA 91604
(818) 986-4001 | MNG Properties
c/o The Midtown Niki Group, LP
3655 Nobel Drive, Suite 650
San Diego, CA 92122
Gena Sherman 858-546-0033 |
| 24. TARZANA
Ross Center | 19215 Ventura Blvd.
Tarzana CA 91356
(818) 345-7314 | Lee Family Trust
Kenneth Lee (213) 700-3110 |
| 25. TORRANCE | 18225 Hawthorne Blvd.
Torrance CA 90504
(310) 793-9551 | TD&A Corporation
c/o: Adams Services
406 E. Alondra Boulevard
Gardena, CA 90248
Gary Adams (714) 240-1277 |
| 26. UNIVERSITY PARK Lovers
Lane | 4360 Lovers Lane
Dallas TX 75225
(214) 696-0030 | Christon Company
4300 Alpha Road, Suite 100,
Dallas, TX 75244
Jim Christon 972.233.3333 x 3 |
| 27. WALNUT CREEK | 1539 Botelho Drive Walnut
Creek CA 94596
(925) 935-7067 | Main Street Plaza
21 Lafayette Circle, Suite 200
Lafayette, Ca 94549
Lisa Cortese 925.283.8777 |
| 28. WEST LOS ANGELES Pico
Boulevard
Subtenant - Omaha Steaks | 11021 W. Pico Blvd.
Los Angeles CA 90064
(310) 914-9693 | Local
Dr. John Paul Kassabian
1485 East California Blvd,
Pasadena, CA. 91106
626.792.9540
mbl 626.893.2121 |

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Schedule 3.2(b)

Inventory Taking Procedures

[To be included]

Schedule 5.3(a)

No Conflicts

N/A

Schedule 5.3(b)

Consents

N/A

Schedule 5.4

Financial Advisors

N/A

Schedule 5.7(a)

Real Property Leases

See Schedule 1.1(j)

Schedule 5.7(b)

Grant of Rights

N/A

Schedule 5.7(c)

Entitlements

N/A

Schedule 5.7(d)

Conveyances

SUBTENANT - OMAHA STEAKS

<u>STORE</u>	<u>ADDRESS</u>	<u>LANDLORD</u>
1. GAITHERSBURG Kentlands Market Square Subtenant - Omaha Steaks	178 Kentlands Blvd. Gaithersburg MD 20878 (240) 631-2700	National Kentlands II, LLC 6824 Elm St. Suite 200 McLean, VA. 22101 David Freedman 703.282.6663 POSSIBLE CLOSING AT END OF LEASE
2. WEST LOS ANGELES Pico Boulevard Subtenant - Omaha Steaks	11021 W. Pico Blvd. Los Angeles CA 90064 (310) 914-9693	Local Dr. John Paul Kassabian 1485 East California Blvd, Pasadena, CA. 91106 626.792.9540 mbl 626.893.2121
3. ELK GROVE Laguna Gateway Shopping CenterSubtenant - Omaha Steaks	9158 West Stockton Blvd. Elk Grove CA 95758 (916) 691-5700	Local Pappas Lagun, LP 2020 L Street, Suite 500 Sacramento, CA 95814 John Pappas 916.447.1058
4. ALMADEN Almaden Plaza Subtenant - Omaha Steaks	5353 Almaden Expressway Suite E37 San Jose CA 95118 (408) 264-0420	Brothers International dba Almaden Plaza Shopping Center 180 Montgomery St. Suite 828 San Francisco, CA. 94104 415.986.0647 Timothy Downey 408.264.3766
5. N. PHOENIX Desert Ridge Marketplace Subtenant - Omaha Steaks	21001 N. Tatum Blvd., #16-1000 Phoenix AZ 85050 (480) 513-3004	Vestar-DRM-OPCO,LLC 2425 East Camelback Rd. Suite 750 Phoenix AZ. 85016 Rick Hearn 602.866.0900
6. STERLING Potomac Run Center Subtenant - Omaha Steaks	46301 Potomac Run Plaza #190 Sterling VA 20164 (703) 421-8950	Kimco Realty 170 West Ridgely Rd. Suite 210 Lutherville, MD. 21093 Jarrett Parket 410.684.2000
7. LAS VEGAS II Silverado Ranch Station Subtenant - Omaha Steaks	9815 S. Eastern Avenue Las Vegas NV 89183 (702) 407-7000	MNG Properties c/o The Midtown Niki Group, LP 3655 Nobel Drive, Suite 650 San Diego, CA 92122 Gena Sherman 858-546-0033

8. PLANTATION
Subtenant - Omaha Steaks

National

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Schedule 5.7(f)

Furniture and Equipment

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Loc#	Location	Account	Cost 8/15/2008	Depreciation 8/15/1008	Net Book Value
Motor Vehicles:					
99010	San Diego Support - Adm	160-100-99010	364,497.50	(364,497.50)	-
99011	San Diego Support-EX	160-100-99011	18,976.08	(18,976.08)	-
99012	San Diego Support - HR	160-100-99012	-	-	-
99013	San Diego Support-Mkt	160-100-99013	-	-	-
99014	San Diego Support-SO	160-100-99014	164,017.00	(129,186.50)	34,830.50
99016	San Diego Support-SP	160-100-99016	-	-	-
99017	San Diego Support-Train	160-100-99017	-	-	-
99018	San Diego Support-MIS	160-100-99018	-	-	-
99019	San Diego Support-Purch	160-100-99019	23,885.00	(23,885.00)	-
99020	San Diego Support-R&D	160-100-99020	-	-	-
99021	San Diego Support-Comm	160-100-99021	-	-	-
99999	San Diego Support	160-100-99999	-	-	-
10001	Ontario Warehouse	160-100-10001	-	-	-
10003	Charlotte Warehouse	160-100-10003	-	-	-
10020	Arlington Warehouse	160-100-10020	-	-	-
10121	Santa Fe Springs	160-100-10121	2,260.00	(2,260.00)	-
10122	Torrance	160-100-10122	-	-	-
10123	Tarzana	160-100-10123	-	-	-
10124	Citrus Heights - closed	160-100-10124	-	-	-
10125	Kearny Mesa	160-100-10125	2,435.00	(2,435.00)	-
10126	Escondido	160-100-10126	-	-	-
10128	Upland	160-100-10128	1,761.00	(1,761.00)	-
10129	Miramar - closed	160-100-10129	-	-	-
10130	Phoenix	160-100-10130	2,471.00	(2,471.00)	-
10131	West Los Angeles	160-100-10131	2,203.00	(2,203.00)	-
10132	Las Vegas	160-100-10132	1,746.00	(1,746.00)	-
10133	32nd St San Diego - closed	160-100-10133	-	-	-
10134	Henderson - closed	160-100-10134	2,420.00	(2,420.00)	-
10137	Scottsdale	160-100-10137	583.00	(583.00)	-
10138	Glendale	160-100-10138	-	-	-
10140	Corona	160-100-10140	-	-	-
10141	Walnut Creek	160-100-10141	775.00	(775.00)	-
10142	Plano	160-100-10142	-	-	-
10143	University Park	160-100-10143	-	-	-
10144	Palo Alto	160-100-10144	725.00	(725.00)	-
10145	Arrowhead	160-100-10145	-	-	-
10146	Arlington - closed	160-100-10146	-	-	-
10147	Westheimer	160-100-10147	-	-	-
10148	Fountains - closed	160-100-10148	(0.20)	0.20	-
10149	Grapevine	160-100-10149	-	-	-
10150	Austin	160-100-10150	-	-	-
10151	Pasadena	160-100-10151	-	-	-
10152	San Antonio	160-100-10152	-	-	-
10153	Valencia	160-100-10153	-	-	-
10154	Encinitas	160-100-10154	650.00	(650.00)	-
10155	Mandarin - closed	160-100-10155	-	-	-
10156	Champions	160-100-10156	2,096.00	(2,096.00)	-
10157	Lewisville	160-100-10157	-	-	-
10158	San Rafael	160-100-10158	3,620.00	(3,620.00)	-
10159	Roseville	160-100-10159	-	-	-
10161	Sterling	160-100-10161	749.00	(749.00)	-
10162	Fairfax	160-100-10162	-	-	-
10163	Whitemarsh - closed	160-100-10163	-	-	-
10164	Cary	160-100-10164	-	-	-
10167	Springfield	160-100-10167	-	-	-
10168	Austin II	160-100-10168	-	-	-
10169	San Antonio II	160-100-10169	-	-	-
10170	Pruneyard	160-100-10170	11,894.00	(11,894.00)	-
10171	Chandler	160-100-10171	-	-	-
10172	Columbia	160-100-10172	-	-	-
10173	Gaithersburg	160-100-10173	780.00	(780.00)	-
19174	Arboretum Joint	160-100-10174	-	-	-
10176	Dublin	160-100-10176	2,570.00	(2,570.00)	-
10177	Fort Worth	160-100-10177	-	-	-
10178	North Phoenix	160-100-10178	-	-	-
10179	Brea	160-100-10179	2,203.00	(2,203.00)	-

Loc #	Location	Account	Cost 8/15/2008	Depreciation 8/15/2008	Net Book Value
10180	Santa Rosa	160-100-10180	2,570.00	(2,570.00)	-
10181	Studio City	160-100-10181	2,310.00	(2,310.00)	-
10182	La Mesa	160-100-10182	1,820.00	(1,820.00)	-
10184	Coral Springs - closed	160-100-10184	(0.07)	0.07	-
10185	Plantation - closed	160-100-10185	-	-	-
10186	Las Vegas II	160-100-10186	2,535.00	(2,535.00)	-
10187	Frisco/North Dallas	160-100-10187	1,810.00	(1,810.00)	-
10188	Fresno	160-100-10188	2,460.00	(2,460.00)	-
10189	Cupertino - closed	160-100-10189	(0.20)	0.20	-
10190	Almaden	160-100-10190	-	-	-
10191	Elk Grove	160-100-10191	-	-	-
10193	Jacksonville - closed	160-100-10193	-	-	-
10194	Wellington	160-100-10194	-	-	-
10195	West Lake	160-100-10195	-	-	-
10196	Folsom	160-100-10196	-	-	-
10197	Atlanta I	160-100-10197	5,000.00	(5,000.00)	-
10198	Atlanta II	160-100-10198	-	-	-
10199	Norwalk - closed	160-100-10199	-	-	-
10200	Temecula	160-100-10200	-	-	-
10201	Alpharetta	160-100-10201	-	-	-
10202	Centennial	160-100-10202	-	-	-
10203	Scarsdale - closed	160-100-10203	-	-	-
10205	Avondale	160-100-10205	-	-	-
10206	Simi Valley	160-100-10206	-	-	-
10207	Gilbert/Chandler East	160-100-10207	-	-	-
10208	La Quinta	160-100-10208	-	-	-
Total Motor Vehicles			631,821.11	(596,990.61)	34,830.50
** vehicles remain in location 99014 only					

Furniture & Fixtures

99010	San Diego Support - Adm	160-200-99010	243,731.66	(243,731.66)	-
99011	San Diego Support-EX	160-200-99011	72,172.27	(62,380.42)	9,791.85
99012	San Diego Support - HR	160-200-99012	4,318.00	(4,318.00)	-
99013	San Diego Support-Mkt	160-200-99013	1,579.34	(1,399.38)	179.97
99014	San Diego Support-SO	160-200-99014	10,834.33	(10,113.08)	721.25
99016	San Diego Support-SP	160-200-99016	33,346.00	(33,346.00)	-
99017	San Diego Support-Train	160-200-99017	811.00	(811.00)	-
99018	San Diego Support-MIS	160-200-99018	6,930.00	(6,335.67)	594.33
99019	San Diego Support-Purch	160-200-99019	14,857.00	(13,613.17)	1,243.83
99020	San Diego Support-R&D	160-200-99020	-	-	-
99021	San Diego Support-Comm	160-200-99021	-	-	-
99999	San Diego Support	160-200-99999	-	-	-
10001	Ontario Warehouse	160-200-10001	0.34	(0.34)	-
10003	Charlotte Warehouse	160-200-10003	-	-	-
10020	Arlington Warehouse	160-200-10020	-	-	-
10121	Santa Fe Springs	160-200-10121	210,993.94	(199,197.66)	11,796.28
10122	Torrance	160-200-10122	100,363.00	(100,363.00)	-
10123	Tarzana	160-200-10123	136,938.00	(136,938.00)	-
10124	Citrus Heights - closed	160-200-10124	137,764.70	(108,965.04)	28,799.66
10125	Kearny Mesa	160-200-10125	-	-	-
10126	Escondido	160-200-10126	132,043.00	(109,757.83)	22,285.17
10128	Upland	160-200-10128	104,387.60	(103,153.08)	1,234.52
10129	Miramar - closed	160-200-10129	108,523.00	(108,523.00)	-
10130	Phoenix	160-200-10130	-	-	-
10131	West Los Angeles	160-200-10131	54,653.48	(53,974.92)	678.56
10132	Las Vegas	160-200-10132	72,688.00	(70,700.67)	1,987.33
10133	32nd St San Diego - closed	160-200-10133	109,192.85	(108,090.00)	1,102.85
10134	Henderson - closed	160-200-10134	-	-	-
10137	Scottsdale	160-200-10137	-	-	-
10138	Glendale	160-200-10138	88,688.28	(88,688.28)	-
10140	Corona	160-200-10140	62,854.00	(62,578.42)	275.58
10141	Walnut Creek	160-200-10141	70,978.00	(70,428.50)	549.50
10142	Plano	160-200-10142	24,352.00	(21,622.29)	2,729.71
10143	University Park	160-200-10143	143,541.90	(143,541.90)	-
10144	Palo Alto	160-200-10144	71,003.00	(69,350.92)	1,652.08
10145	Arrowhead	160-200-10145	112,990.00	(100,622.38)	12,367.63
			68,196.80	(67,466.67)	730.13

Loc #	Location	Account	Cost 8/15/2008	Depreciation 8/15/008	Net Book Value
10146	Arlington - closed	160-200-10146	-	-	-
10147	Westheimer	160-200-10147	79,897.70	(79,897.70)	-
10148	Fountains - closed	160-200-10148	(0.31)	0.31	-
10149	Grapevine	160-200-10149	58,618.10	(58,618.10)	-
10150	Austin	160-200-10150	127,684.98	(127,684.98)	-
10151	Pasadena	160-200-10151	137,130.35	(134,436.00)	2,694.35
10152	San Antonio	160-200-10152	103,185.00	(103,185.00)	-
10153	Valencia	160-200-10153	54,956.34	(54,956.34)	-
10154	Encinitas	160-200-10154	117,719.20	(117,719.20)	-
10155	Mandarin - closed	160-200-10155	-	-	-
10156	Champions	160-200-10156	2,666.00	(2,666.00)	-
10157	Lewisville	160-200-10157	592.63	-	592.63
10158	San Rafael	160-200-10158	93,930.00	(93,930.00)	-
10159	Roseville	160-200-10159	83,121.00	(83,121.00)	-
10161	Sterling	160-200-10161	72,477.00	(72,208.00)	269.00
10162	Fairfax	160-200-10162	65,053.00	(64,802.00)	251.00
10163	Whitemarsh - closed	160-200-10163	75,991.00	(72,191.00)	3,800.00
10164	Cary	160-200-10164	58,497.48	(58,205.25)	292.23
10167	Springfield	160-200-10167	60,897.00	(60,753.92)	143.08
10168	Austin II	160-200-10168	58,529.00	(58,529.00)	-
10169	San Antonio II	160-200-10169	71,575.00	(70,961.92)	613.08
10170	Pruneyard	160-200-10170	133,281.70	(129,273.17)	4,008.53
10171	Chandler	160-200-10171	75,912.00	(74,772.46)	1,139.54
10172	Columbia	160-200-10172	77,714.00	(77,522.38)	191.63
10173	Gaithersburg	160-200-10173	70,904.00	(70,695.04)	208.96
19174	Arboretum Joint	160-200-10174	79,712.00	(79,401.33)	310.67
10176	Dublin	160-200-10176	83,796.00	(83,737.29)	58.71
10177	Fort Worth	160-200-10177	79,429.24	(78,364.00)	1,065.24
10178	North Phoenix	160-200-10178	84,152.00	(82,031.50)	2,120.50
10179	Brea	160-200-10179	85,120.24	(82,808.79)	2,311.45
10180	Santa Rosa	160-200-10180	71,856.00	(71,856.00)	-
10181	Studio City	160-200-10181	75,773.00	(75,426.71)	346.29
10182	La Mesa	160-200-10182	66,025.75	(66,025.75)	-
10184	Coral Springs - closed	160-200-10184	0.37	(0.37)	-
10185	Plantation - closed	160-200-10185	-	-	-
10186	Las Vegas II	160-200-10186	73,733.00	(73,733.00)	-
10187	Frisco/North Dallas	160-200-10187	87,519.00	(86,543.42)	975.58
10188	Fresno	160-200-10188	65,987.00	(65,987.00)	-
10189	Cupertino - closed	160-200-10189	0.44	-	0.44
10190	Almaden	160-200-10190	64,271.00	(62,712.58)	1,558.42
10191	Elk Grove	160-200-10191	63,497.00	(62,876.46)	620.54
10193	Jacksonville - closed	160-200-10193	-	-	-
10194	Wellington	160-200-10194	-	-	-
10195	West Lake	160-200-10195	65,539.36	(36,438.92)	29,100.44
10196	Folsom	160-200-10196	77,175.00	(33,533.88)	43,641.13
10197	Atlanta I	160-200-10197	49,589.00	(38,128.83)	11,460.17
10198	Atlanta II	160-200-10198	14,250.82	(14,250.82)	-
10199	Norwalk - closed	160-200-10199	-	-	-
10200	Temecula	160-200-10200	83,043.00	(36,083.79)	46,959.21
10201	Alpharetta	160-200-10201	82,211.59	(35,572.79)	46,638.80
10202	Centennial	160-200-10202	58,343.00	(6,424.13)	51,918.88
10203	Scarsdale - closed	160-200-10203	-	-	-
10205	Avondale	160-200-10205	72,383.00	(19,923.88)	52,459.13
10206	Simi Valley	160-200-10206	65,848.00	(24,514.21)	41,333.79
10207	Gilbert/Chandler East	160-200-10207	63,910.00	(7,037.71)	56,872.29
10208	La Quinta	160-200-10208	66,264.00	(19,765.00)	46,499.00
10209	Rancho Cucamonga	160-200-10209	45,243.00	(4,982.67)	40,260.33
10210	Vacaville	160-200-10210	51,443.00	(5,665.63)	45,777.38
10211	4S Ranch	160-200-10211	118,628.50	(13,003.96)	105,624.54
Total Furniture & Fixtures			5,773,806.97	(5,032,969.79)	740,837.18

Machinery & Equipment:

99010	San Diego Support - Adm	160-400-99010	110,387.00	(94,333.54)	16,053.46
99011	San Diego Support-EX	160-400-99011	16,900.25	(16,900.25)	-
99012	San Diego Support - HR	160-400-99012	73,216.94	(54,400.17)	18,816.77
99013	San Diego Support-Mkt	160-400-99013	28,266.00	(26,812.00)	1,454.00

Loc #	Location	Account	Cost 8/15/2008	Depreciation 8/15/2008	Net Book Value
99014	San Diego Support-SO	160-400-99014	9,159.00	(9,084.63)	74.38
99016	San Diego Support-SP	160-400-99016	25,105.00	(17,050.08)	8,054.92
99017	San Diego Support-Train	160-400-99017	6,870.00	(6,091.00)	779.00
99018	San Diego Support-MIS	160-400-99018	2,073,364.74	(1,191,359.00)	882,005.74
99019	San Diego Support-Purch	160-400-99019	25,963.00	(25,860.00)	103.00
99020	San Diego Support-R&D	160-400-99020	6,585.57	(6,304.08)	281.49
99021	San Diego Support-Comm	160-400-99021	-	-	-
99999	San Diego Support	160-400-99999	4,293.00	-	4,293.00
10001	Ontario Warehouse	160-400-10001	-	-	-
10003	Charlotte Warehouse	160-400-10003	-	-	-
10020	Arlington Warehouse	160-400-10020	206,241.00	(178,792.08)	27,448.92
10121	Santa Fe Springs	160-400-10121	22,279.00	(20,442.79)	1,836.21
10122	Torrance	160-400-10122	43,145.00	(41,415.63)	1,729.38
10123	Tarzana	160-400-10123	34,648.00	(29,267.54)	5,380.46
10124	Citrus Heights - closed	160-400-10124	-	-	-
10125	Kearny Mesa	160-400-10125	20,023.00	(17,531.71)	2,491.29
10126	Escondido	160-400-10126	18,423.00	(16,592.79)	1,830.21
10128	Upland	160-400-10128	33,994.00	(32,165.79)	1,828.21
10129	Miramar - closed	160-400-10129	2,527.00	(2,527.00)	-
10130	Phoenix	160-400-10130	18,529.00	(16,746.00)	1,783.00
10131	West Los Angeles	160-400-10131	28,639.00	(25,073.08)	3,565.92
10132	Las Vegas	160-400-10132	18,275.00	(16,047.00)	2,228.00
10133	32nd St San Diego - closed	160-400-10133	-	-	-
10134	Henderson - closed	160-400-10134	30,464.00	(28,634.33)	1,829.67
10137	Scottsdale	160-400-10137	22,117.00	(18,553.63)	3,563.38
10138	Glendale	160-400-10138	14,944.00	(11,405.46)	3,538.54
10140	Corona	160-400-10140	15,444.15	(13,220.00)	2,224.15
10141	Walnut Creek	160-400-10141	29,306.00	(27,418.04)	1,887.96
10142	Plano	160-400-10142	36,925.00	(35,051.21)	1,873.79
10143	University Park	160-400-10143	18,555.00	(14,778.13)	3,776.88
10144	Palo Alto	160-400-10144	13,293.00	(9,752.46)	3,540.54
10145	Arrowhead	160-400-10145	19,884.00	(16,427.04)	3,456.96
10146	Arlington - closed	160-400-10146	-	-	-
10147	Westheimer	160-400-10147	22,042.00	(17,066.63)	4,975.38
10148	Fountains - closed	160-400-10148	-	-	-
10149	Grapevine	160-400-10149	14,698.00	(12,803.13)	1,894.88
10150	Austin	160-400-10150	18,662.00	(14,989.13)	3,672.88
10151	Pasadena	160-400-10151	23,911.00	(18,414.13)	5,496.88
10152	San Antonio	160-400-10152	27,659.00	(25,729.29)	1,929.71
10153	Valencia	160-400-10153	20,433.00	(17,457.63)	2,975.38
10154	Encinitas	160-400-10154	21,626.17	(19,022.00)	2,604.17
10155	Mandarin - closed	160-400-10155	-	-	-
10156	Champions	160-400-10156	9,108.00	(5,937.00)	3,171.00
10157	Lewisville	160-400-10157	(53.00)	53.00	-
10158	San Rafael	160-400-10158	17,760.00	(15,923.33)	1,836.67
10159	Roseville	160-400-10159	11,471.00	(7,921.38)	3,549.63
10161	Sterling	160-400-10161	17,665.00	(15,894.00)	1,771.00
10162	Fairfax	160-400-10162	16,859.00	(15,088.00)	1,771.00
10163	Whitemarsh - closed	160-400-10163	18,498.00	(14,855.42)	3,642.58
10164	Cary	160-400-10164	18,867.82	(14,617.00)	4,250.82
10167	Springfield	160-400-10167	22,846.00	(21,081.42)	1,764.58
10168	Austin II	160-400-10168	17,619.00	(15,681.29)	1,937.71
10169	San Antonio II	160-400-10169	13,414.00	(11,518.67)	1,895.33
10170	Pruneyard	160-400-10170	24,300.00	(22,462.33)	1,837.67
10171	Chandler	160-400-10171	17,813.00	(16,030.00)	1,783.00
10172	Columbia	160-400-10172	20,840.00	(19,070.00)	1,770.00
10173	Gaithersburg	160-400-10173	15,377.00	(13,604.92)	1,772.08
19174	Arboretum Joint	160-400-10174	21,718.00	(19,906.71)	1,811.29
10176	Dublin	160-400-10176	24,203.00	(22,355.33)	1,847.67
10177	Fort Worth	160-400-10177	20,678.00	(18,782.13)	1,895.88
10178	North Phoenix	160-400-10178	31,543.00	(25,832.63)	5,710.38
10179	Brea	160-400-10179	17,744.00	(15,916.25)	1,827.75
10180	Santa Rosa	160-400-10180	15,038.00	(13,231.46)	1,806.54
10181	Studio City	160-400-10181	23,708.00	(20,168.46)	3,539.54
10182	La Mesa	160-400-10182	17,048.00	(15,220.33)	1,827.67
10184	Coral Springs - closed	160-400-10184	-	-	-
10185	Plantation - closed	160-400-10185	15,397.00	(13,559.79)	1,837.21

Loc #	Location	Account	Cost 8/15/2008	Depreciation 8/15/2008	Net Book Value
10186	Las Vegas II	160-400-10186	8,539.00	(3,312.04)	5,226.96
10187	Frisco/North Dallas	160-400-10187	15,941.00	(14,044.58)	1,896.42
10188	Fresno	160-400-10188	23,215.80	(20,986.00)	2,229.80
10189	Cupertino - closed	160-400-10189	-	-	-
10190	Almaden	160-400-10190	14,084.00	(12,248.42)	1,835.58
10191	Elk Grove	160-400-10191	16,288.36	(14,049.46)	2,238.90
10193	Jacksonville - closed	160-400-10193	20,234.82	(16,719.29)	3,515.53
10194	Wellington	160-400-10194	18,024.00	(18,024.00)	-
10195	West Lake	160-400-10195	14,332.00	(10,166.58)	4,165.42
10196	Folsom	160-400-10196	7,889.00	(3,820.38)	4,068.63
10197	Atlanta I	160-400-10197	10,020.00	(6,664.58)	3,355.42
10198	Atlanta II	160-400-10198	7,506.00	(4,713.08)	2,792.92
10199	Norwalk - closed	160-400-10199	7,847.00	(4,773.42)	3,073.58
10200	Temecula	160-400-10200	13,887.00	(8,480.17)	5,406.83
10201	Alpharetta	160-400-10201	17,803.00	(9,863.13)	7,939.88
10202	Centennial	160-400-10202	15,532.00	(2,403.46)	13,128.54
10203	Scarsdale - closed	160-400-10203	6,896.00	(4,196.50)	2,699.50
10205	Avondale	160-400-10205	9,464.00	(3,334.25)	6,129.75
10206	Simi Valley	160-400-10206	10,343.00	(3,336.75)	7,006.25
10207	Gilbert/Chandler East	160-400-10207	17,504.00	(2,707.17)	14,796.83
10208	La Quinta	160-400-10208	9,582.00	(1,484.63)	8,097.38
10209	Rancho Cucamonga	160-400-10209	11,520.00	(1,783.71)	9,736.29
10210	Vacaville	160-400-10210	16,281.00	(2,517.54)	13,763.46
10211	4S Ranch	160-400-10211	15,812.59	(1,729.75)	14,082.84
Total Machinery & Equipment			3,914,804.21	(2,691,482.08)	1,223,322.13

Office Equipment:

99010	San Diego Support - Adm	160-500-99010	867,158.80	(859,465.29)	7,693.51
99011	San Diego Support-EX	160-500-99011	3,840.00	(3,840.00)	-
99012	San Diego Support - HR	160-500-99012	20,399.00	(20,399.00)	-
99013	San Diego Support-Mkt	160-500-99013	5,755.00	(4,606.63)	1,148.38
99014	San Diego Support-SO	160-500-99014	20,227.00	(18,776.00)	1,451.00
99016	San Diego Support-SP	160-500-99016	14,840.00	(14,840.00)	-
99017	San Diego Support-Train	160-500-99017	2,459.00	(2,459.00)	-
99018	San Diego Support-MIS	160-500-99018	665,230.00	(663,884.88)	1,345.13
99019	San Diego Support-Purch	160-500-99019	31,426.00	(31,426.00)	-
99020	San Diego Support-R&D	160-500-99020	-	-	-
99021	San Diego Support-Comm	160-500-99021	-	-	-
99999	San Diego Support	160-500-99999	-	-	-
10001	Ontario Warehouse	160-500-10001	-	-	-
10003	Charlotte Warehouse	160-500-10003	-	-	-
10020	Arlington Warehouse	160-500-10020	-	-	-
10121	Santa Fe Springs	160-500-10121	-	-	-
10122	Torrance	160-500-10122	-	-	-
10123	Tarzana	160-500-10123	-	-	-
10124	Citrus Heights - closed	160-500-10124	-	-	-
10125	Kearny Mesa	160-500-10125	-	-	-
10126	Escondido	160-500-10126	-	-	-
10128	Upland	160-500-10128	-	-	-
10129	Miramar - closed	160-500-10129	-	-	-
10130	Phoenix	160-500-10130	-	-	-
10131	West Los Angeles	160-500-10131	-	-	-
10132	Las Vegas	160-500-10132	-	-	-
10133	32nd St San Diego - closed	160-500-10133	-	-	-
10134	Henderson - closed	160-500-10134	-	-	-
10137	Scottsdale	160-500-10137	-	-	-
10138	Glendale	160-500-10138	-	-	-
10140	Corona	160-500-10140	-	-	-
10141	Walnut Creek	160-500-10141	-	-	-
10142	Plano	160-500-10142	-	-	-
10143	University Park	160-500-10143	-	-	-
10144	Palo Alto	160-500-10144	-	-	-
10145	Arrowhead	160-500-10145	-	-	-
10146	Arlington - closed	160-500-10146	-	-	-
10147	Westheimer	160-500-10147	-	-	-
10148	Fountains - closed	160-500-10148	-	-	-
10149	Grapevine	160-500-10149	-	-	-

Loc #	Location	Account	Cost 8/15/2008	Depreciation 8/15/2008	Net Book Value
10150	Austin	160-500-10150	-	-	-
10151	Pasadena	160-500-10151	-	-	-
10152	San Antonio	160-500-10152	-	-	-
10153	Valencia	160-500-10153	-	-	-
10154	Encinitas	160-500-10154	-	-	-
10155	Mandarin - closed	160-500-10155	-	-	-
10156	Champions	160-500-10156	-	-	-
10157	Lewisville	160-500-10157	-	-	-
10158	San Rafael	160-500-10158	-	-	-
10159	Roseville	160-500-10159	-	-	-
10161	Sterling	160-500-10161	-	-	-
10162	Fairfax	160-500-10162	-	-	-
10163	Whitemarsh - closed	160-500-10163	-	-	-
10164	Cary	160-500-10164	-	-	-
10167	Springfield	160-500-10167	-	-	-
10168	Austin II	160-500-10168	-	-	-
10169	San Antonio II	160-500-10169	-	-	-
10170	Pruneyard	160-500-10170	-	-	-
10171	Chandler	160-500-10171	-	-	-
10172	Columbia	160-500-10172	-	-	-
10173	Gaithersburg	160-500-10173	-	-	-
19174	Arboretum Joint	160-500-10174	-	-	-
10176	Dublin	160-500-10176	-	-	-
10177	Fort Worth	160-500-10177	-	-	-
10178	North Phoenix	160-500-10178	-	-	-
10179	Brea	160-500-10179	-	-	-
10180	Santa Rosa	160-500-10180	-	-	-
10181	Studio City	160-500-10181	-	-	-
10182	La Mesa	160-500-10182	-	-	-
10184	Coral Springs - closed	160-500-10184	-	-	-
10185	Plantation - closed	160-500-10185	-	-	-
10186	Las Vegas II	160-500-10186	-	-	-
10187	Frisco/North Dallas	160-500-10187	-	-	-
10188	Fresno	160-500-10188	-	-	-
10189	Cupertino - closed	160-500-10189	-	-	-
10190	Almaden	160-500-10190	-	-	-
10191	Elk Grove	160-500-10191	-	-	-
10193	Jacksonville - closed	160-500-10193	-	-	-
10194	Wellington	160-500-10194	-	-	-
10195	West Lake	160-500-10195	-	-	-
10196	Folsom	160-500-10196	-	-	-
10197	Atlanta I	160-500-10197	-	-	-
10198	Atlanta II	160-500-10198	-	-	-
10199	Norwalk - closed	160-500-10199	-	-	-
10200	Termecla	160-500-10200	-	-	-
10201	Alpharetta	160-500-10201	-	-	-
10202	Centennial	160-500-10202	-	-	-
10203	Scarsdale - closed	160-500-10203	-	-	-
10205	Avondale	160-500-10205	-	-	-
10206	Simi Valley	160-500-10206	-	-	-
10207	Gilbert/Chandler East	160-500-10207	-	-	-
10208	La Quinta	160-500-10208	-	-	-
10209	Rancho Cucamonga	160-500-10209	-	-	-
10210	Vacaville	160-500-10210	-	-	-
10211	4S Ranch	160-500-10211	-	-	-
Total Office Equipment			1,631,334.80	(1,619,696.79)	11,638.01
Grand Total FF&E			1,951,767.09	(9,941,139.28)	2,010,627.32

Schedule 5.8

Intellectual Property

Domain Names

barbequesgalore.com
 bbqgalore.com
 800grillup.com
 barbequesgalore.com
 barbequesgalore.net
 bbqgalore.biz
 bbqgalore.com
 bbqgalore.info
 bbqgalore.mobi
 bbqgalore.net
 bbqgalore.org
 bbqgalore.us
 bbqgalore.ws
 bbqgaloreonline.com
 bbqgalore-online.com
 beefgalore.com
 charcoalbarbecues.com
 charcoalsmokers.com
 cookingoutside.com
 electricgrills.com
 gasgrills-gasgrills.com
 gasgrillsonline.com

Registered Marks

<u>No.</u>	<u>Serial #</u>	<u>Trademark</u>	<u>Status</u>
1.	78100188	ENDEAVOR	REGISTERED
2.	78032305	MAXIHEAT	REGISTERED
3.	78038280	BEEFMASTER	REGISTERED
4.	78200551	GRAND TURBO	REGISTERED
5.	75332496	(DESIGN ONLY)	REGISTERED
6.	73675521	B.B.Q.'S GALORE	REGISTERED
7.	73259068	BARBEQUES GALORE	REGISTERED
8.	78203111	TURBO SELECT	REGISTERED

9.	78366373	TURBO MAXI COOL (and design)	REGISTERED
10.	78292781	TURBO STS	REGISTERED
11.	78519338	CHALLENGER	REGISTERED
12.	78805468	STRADA	REGISTERED
13.	78738058	GRAND ENDEAVOR	REGISTERED
14.	78738058	COMPLETE KITCHEN	REGISTERED
15.	78456792	TURBO SEAR	REGISTERED

Schedule 5.9 Insurance

	<u>Insurance</u>	<u>Policy Number</u>	<u>Expiration Date</u>
1.	Commercial Package Policy – Property, General Liability, Crime, Inland Marine and Auto	PN: MZX 80885394	2/2/09
2.	Lead Umbrella Liability Insurance Policy - \$25M Occurrence/Aggregate	PN: XAU-000-8952-3039	2/1/09
3.	Foreign Package Insurance policy – General Liability & Auto Liability	PN: IEX-000-6025-0941	2/1/09
4.	Workers Compensation and Employers Liability Insurance policy – AZ, CA, FL, GA, MD, NC, NV, TX, VA	PN: 4066803819	2/1/09
5.	Directors & Officers Insurance	N/A	6/30/09

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Schedule 6.3

Conflicts

N/A

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Schedule 8.2

Conduct of the Business

N/A

Exhibit A

[Reserved]

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Exhibit B

Bill of Sale

[See Attached]

BILL OF SALE

This Bill of Sale (the "*Bill of Sale*") is made and entered into on September 12, 2008 (the "*Effective Date*"), by and between BARBEQUES GALORE, INC., a California corporation ("*Seller*"), and GRAND HOME HOLDINGS INC., a Delaware corporation ("*Purchaser*").

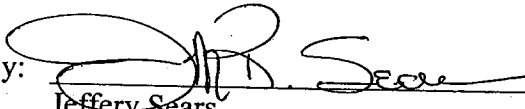
In consideration of the Purchase Price, as defined in that certain Asset Purchase Agreement (the "*Agreement*") made effective as of September 8, 2008, by and between Seller and Purchaser, the receipt and sufficiency of which is hereby acknowledged, Seller hereby sells, transfers, assigns, conveys, and delivers to Purchaser, its successors and assigns, all of Seller's right, title, and interest in and to all of the assets and properties of Seller relating to the Assets as defined in the Agreement between the Seller and Purchaser.

The Purchase Price for the Assets is \$15,000,000.00, subject to adjustment pursuant to Section 3.2 of the Agreement and the assumption of the Assumed Liabilities as specified in the Agreement. THE ASSETS ARE BEING SOLD "AS-IS, WHERE-IS" WITH NO WARRANTIES OR REPRESENTATIONS WHATSOEVER, EXCEPT AS EXPRESSLY PROVIDED IN THE AGREEMENT, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Bill of Sale to be executed on the Effective Date stated above.

SELLER:


BARBEQUES GALORE, INC.,
a California corporation

By: 
Jeffery Sears

Its: Chief Executive Officer

PURCHASER:

GRAND HOME HOLDINGS, INC.,
a Delaware corporation

By: 
Heather Elliott

Its: President

Exhibit C
Assignment and Assumption Agreement

[See Attached]

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("ASSIGNMENT") is entered into effective as of the 12th day of September, 2008, but and between BARBEQUES GALORE, INC., a California corporation ("ASSIGNOR") and GRAND HOME HOLDINGS INC., a Delaware corporation ("ASSIGNEE").

WHEREAS, Assignor desires to assign and Assignee desires to assume from Assignor the Purchased Contracts and the Purchased Leases and Assignor shall assign to Assignee's designees and Assignee shall cause such designees to assume from Assignor, the Designee Leases and the Designee Contracts pursuant to Section 365 of the Bankruptcy Code ("Assigned Contracts and Leases"). All documents referenced herein are defined in the Asset Purchase Agreement dated September 8, 2008 between Assignor and Assignee.

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

ASSIGNMENT


1. Assignor hereby does transfer and assign unto Assignee all of Assignor's rights, obligations, interests and ownership of the Purchased Contracts and the Purchased Leases and Assignor shall assign to Assignee's designees and Assignee shall cause such designees to assume from Assignor, the Designee Leases and the Designee Contracts pursuant to Section 365 of the Bankruptcy Code ("Assigned Contracts and Leases"). All documents referenced herein are defined in the Asset Purchase Agreement dated September 8, 2008 between Assignor and Assignee.
2. For and in consideration of the assignment hereunder, Assignee hereby assumes all of Assignor's rights, obligations, interests and liabilities of Assigned Contracts and Leases.
3. Assignee agrees to defend, indemnify and hold harmless Assignor and its affiliates, officers, directors, shareholders, employees, partners, agents and representatives from and against all claims, demands, obligations, losses, liabilities, damages, recoveries and deficiencies, including interest, penalties and reasonable attorneys' fees, costs and expenses arising out of, resulting from or related in any way whatsoever to the obligations under the Assigned Contracts and Leases, which is now assumed by Assignee herein, other than those obligations arising prior to the date hereof resulting from Assignor's gross negligence or willful misconduct.
4. This Assignment shall be binding upon, and inure to the benefit of, Assignor and Assignee, and their respective successors and assigns.
5. This Assignment shall be governed by and construed in accordance with the laws of the State of California without giving effect to conflicts of law principles.
6. This Assignment may be executed in one or more counterparts, each of which is an original and all of which constitute the Assignment.

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Assignment and Assumption Agreement effective as of the date first set forth above.

ASSIGNOR

BARBEQUES GALORE, INC.,
a California corporation

By: 
Name: Jeffery Sears
Its: CEO

ASSIGNEE

GRAND HOME HOLDINGS INC.,
a Delaware corporation


By: 
Name: Heather Elliott
Its: President

Exhibit D
Agency Agreement

[See Attached]

AGENCY AGREEMENT

This Agency Agreement (the "Agreement") is made as of this ¹²~~8~~th day of September, 2008, by and among Grand Home Holdings Inc., a Delaware corporation with a principal place of business of 3838 West Miller Road, Garland, Texas 75041 ("Newco" or the "Agent"), Hilco Merchant Resources, LLC, a Delaware limited liability company with a principal place of business of 5 Revere Drive, Suite 206, Northbrook, IL 60062 ("Sub-Agent") and BARBEQUES GALORE, INC., a California corporation with a principal place of business located at 2173 Salk Avenue, Suite 200, Carlsbad, California 92008 (the "Merchant").

RECITALS

WHEREAS, on August 15, 2008 (the "Petition Date"), Merchant filed a voluntary petition for relief under Chapter 11 of Title 11, United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Central District of California, San Fernando Valley Division (the "Bankruptcy Court");

WHEREAS, Merchant is managing its affairs as a debtor and debtor in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code in the chapter 11 case administered under Case No. 08-16036 (the "Chapter 11 Case");

WHEREAS, contemporaneously herewith, Newco, Sub-Agent and the Merchant and have entered into that certain Asset Purchase Agreement, dated as of September 8th, 2008 (the "APA"), pursuant to which Newco acquired certain assets of, and certain rights from, Merchant as specified therein, including the right to designate Agent to conduct the Store Closing Sales (as defined in the APA) pursuant to the terms of this Agreement;

WHEREAS, in accordance with the APA, Merchant desires that Agent act as Merchant's exclusive agent for the limited purpose of: (a) selling, by conducting a "store closing" or similar themed sale (the "Sale"), all of the Merchandise (as hereinafter defined) located or to be located in those Merchant retail store locations identified in Exhibit 1A annexed hereto (each location is sometimes referred to herein as a "Closing Store", and collectively all such locations are referred to as the "Closing Stores"); and (b) disposing of Merchant's owned FF&E located at the Closing Stores, subject to the terms and conditions set forth herein; and

WHEREAS, Agent intends to delegate to Sub-Agent certain rights and obligations under this Agreement to conduct the Sale at the Closing Stores.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agent and Merchant hereby agree as follows:

Section 1. Definitions and Exhibits

1.1 Defined Terms. Unless otherwise stated herein, all capitalized terms used herein shall have the meanings ascribed to them in this Agreement.

1.2 Intentionally Omitted.

1.3 Currency. Unless otherwise specified, all references to monetary amounts refer to United States dollars.

Section 2. Appointment of Agent.

2.1 Merchant hereby appoints Agent, and Agent hereby agrees to serve, as Merchant's exclusive agent for the limited purpose of conducting the Sale in accordance with the terms and conditions of this Agreement. Merchant's and Agent's obligations hereunder are subject to the approval of the Bankruptcy Court and shall be of no force and effect in the event that the Approval Order (as defined in Section 2.3 below) is not entered in the Chapter 11 case.

2.2 Except for incurring Expenses in connection with the Sale and as otherwise specifically provided in this Agreement, Agent shall have no authority to enter into any contract, agreement or other arrangement or take any other action, by or on behalf of Merchant, that would have the effect of creating any obligation or liability, present or contingent, on behalf of or for the account of Merchant without Merchant's prior written consent, which consent shall not be unreasonably withheld.

2.3 Merchant filed a motion with the Bankruptcy Court for entry of an order approving this Agreement and authorizing Merchant and Agent to conduct the Sale in accordance with the terms hereof (the "Approval Order"). The Approval Order shall provide, in a form reasonably satisfactory to the Merchant, Agent, and Lender among other things, that:

(a) the terms of this Agreement (and each of the transactions contemplated hereby) are approved;

(b) Merchant and Agent shall be authorized to continue to take any and all actions as may be necessary or desirable to implement this Agreement and each of the transactions contemplated hereby, including, without limitation, the actions contemplated in Sections 8.9 and 8.10 of this Agreement;

(c) Agent shall be entitled to sell all Merchandise hereunder free and clear of all liens, claims and encumbrances thereon (collectively, "Liens"), with any presently existing Liens encumbering all or any portion of the Merchandise or the Proceeds attaching only to the Purchase Price (as defined in the APA) and other amounts to be received by Merchant under this Agreement;

(d) Agent shall have the right to use the Closing Stores and all related store services, furniture, fixtures, equipment and other assets of Merchant as designated hereunder for the purpose of conducting the Sale, free of any interference from any entity or person;

(e) Agent, as agent for Merchant, is authorized to conduct, advertise, post signs and otherwise promote the Sale as a "store closing", "sale on everything", "everything must go", or similar themed sale (including, without limitation, by means of media advertising, A-frame, interior and exterior banners and similar signage and use of sign walkers), without further consent of any person (other than Merchant as provided for herein), in accordance with the terms and conditions of this Agreement and the Sale Guidelines (as the same may be modified and approved by the Bankruptcy Court), and without further compliance with applicable federal, state or local laws governing, *inter alia*, the conduct of store closing sales (the "GOB Laws"), other than those designed to protect public health and safety;

(f) Agent shall be granted a limited license and right to use until the Sale Termination Date the trade names and logos relating to and used in connection with the operation of the Closing Stores, solely for the purpose of advertising the Sale in accordance with the terms of the Agreement;

(g) each and every federal, state, or local agency, department, or governmental authority with regulatory authority over the Sale and all newspapers and other advertising media in which the Sale is advertised shall be directed to accept the Approval Order as binding and to allow Merchant and Agent to consummate the transactions provided for in this Agreement, including (without limitation) the conducting and advertising of the Sale in the manner contemplated by this Agreement, and no further approval, license, or permit of any governmental authority shall be required;

(h) all utilities, landlords, creditors and all persons acting for or on their behalf shall not interfere with or otherwise impede the conduct of the Sale, institute any action in any court (other than in the Bankruptcy Court) or before any administrative body which in any way directly or indirectly interferes with or obstructs or impedes the conduct of the Sale;

(i) the Bankruptcy Court shall retain jurisdiction over the parties to enforce this Agreement;

(j) Agent shall not be liable for any claims against the Merchant other than as expressly provided for in this Agreement, and Agent shall have no successorship liabilities whatsoever; and

(k) Any amounts owed by Merchant to Agent under this Agreement shall be granted the status of superpriority claims in Merchant's Chapter 11 Case pursuant to Bankruptcy Code section 364(a) and Agent shall have a valid, duly perfected first priority lien and security interest in the Merchandise, Owned FF&E and Proceeds.

Section 3. Compensation to Agent.

As its compensation for services rendered to Merchant, Agent shall be entitled to all Proceeds of the Sale after payment in full of all Expenses. All Merchandise remaining at the conclusion of the Sale shall become the property of Agent, free and clear of all liens, claims and encumbrances of any kind or nature ("Remaining Merchandise"), subject to Merchant's right to payment of any amount owing hereunder, and the proceeds received by Agent from the disposition of such unsold Merchandise shall constitute Proceeds hereunder.

3.3 Time of Payments; Control of Proceeds

(a) The Purchase Price shall be paid at such times and in such a manner as set forth in the APA.

(b) Merchant agrees that if at any time during the Sale Term Merchant holds any amounts due to Agent as Proceeds hereunder, Agent may, in its discretion, offset such Proceeds being held by Merchant against any amounts due and owing to Merchant pursuant to this Section 3.3 or otherwise under this Agreement. In addition, Merchant and Agent further agree that if at any time during the Sale Term, Agent holds any amounts due to Merchant under this Agreement, Agent may, in its discretion, offset such amounts being held by it against any amounts due and owing by, or required to be paid by, Merchant hereunder.

(c) Control of Proceeds. (i) Within twenty one (21) days after the Sale Commencement Date, Agent shall use its best efforts to establish its own accounts, dedicated solely for the deposit of the Proceeds and the disbursement of amounts payable to Agent hereunder (the "Agency Accounts") and Merchant shall promptly upon Agent's request execute and deliver all necessary documents to open and maintain the Agency Accounts. Agent shall exercise sole signatory authority and control with respect to the Agency Accounts; provided, however, within three (3) days following Merchant's request, Agent shall deliver to Merchant copies of all bank statements and other information relating to such accounts. Merchant shall not be responsible for and Agent shall pay as an Expense hereunder, all bank fee and charges, including wire transfer charges, related to the Agency Accounts, whether received during or after the Sale Term. Upon Agent's designation of the Agency Accounts, all Proceeds of the Sale (including credit card proceeds) shall be deposited into the Agency Accounts.

(ii) During the period between the Sale Commencement Date and the date Agent designates the Agency Accounts ("Merchant Account Usage Period"), all Proceeds of the Sale (including credit card proceeds), shall be collected by Agent and deposited on a daily basis into depository accounts designated by Merchant for the Closing Stores, which accounts shall be designated solely for the deposit of Proceeds of the Sale (including credit card proceeds), and the disbursement of amounts payable by Agent hereunder (the "Designated Deposit Accounts"). Merchant shall promptly pay to Agent by wire funds transfer all collected funds constituting Proceeds deposited into the Designated Deposit Accounts (but not any other funds, including, without limitation, any proceeds of Merchant's inventory sold prior to the Sale Commencement Date).

(d) Credit Card Proceeds. Agent shall have the right to use Merchant's credit card facilities (including Merchant's credit card terminals and processor(s), credit card processor coding, Merchant identification number(s) and existing bank accounts) for credit card Proceeds relating solely to the Sale. In the event that Agent elects to use Merchant's credit card facilities, Merchant shall process credit card transactions on behalf of Agent and for Agent's account, applying customary practices and procedures. Agent shall not accept Merchant's proprietary card. Without limiting the foregoing, Merchant shall cooperate with Agent to down-load data from all credit card terminals each day during the Sale Term and to effect settlement with Merchant's credit card processor(s) and shall take, at no cost or expense to Merchant, such other actions necessary as are reasonably necessary to process credit card transactions on behalf of Agent under Merchant's identification number(s). At Agent's request following the Sale Commencement Date, Merchant shall cooperate with Agent to establish Merchant identification numbers under Agent's name to enable Agent to process all such credit card Proceeds for Agent's account. Merchant shall not be responsible for and Agent shall pay as an Expense hereunder, all credit card fees, charges and chargebacks related to the Sale, whether received during or after the Sale Term. Merchant makes no representation that the credit card processors shall permit the use of Merchant's credit card facilities on the same terms and conditions as they did prior to the date hereof. Notwithstanding anything herein to the contrary, if Agent elects to use Merchant's credit card facilities during the Sale, Agent shall be required to make all arrangements necessary with Merchant's credit card processors regarding the establishment of reserves for credit card sales during the Sale Term, and no funds of Merchant shall be used to establish any such reserves.

Section 4. Expenses of the Sale

4.1 Expenses. Agent shall be unconditionally responsible for all Expenses incurred in conducting the Sale during the Sale Term, which Expenses shall be paid by Agent in accordance with Section 4.2 below. As used herein, "Expenses" shall mean all Closing Store-level operating expenses of the Sale which arise during the Sale Term, limited to the following:

- (a) Occupancy Expenses for the Closing Stores on a per location and per diem basis in an amount up to the aggregate per location and per diem totals set forth on Exhibit 4.1(a) hereto *plus* the portion of any percentage rent obligations allocable to the sale of Merchandise during the Sale incurred by Merchant under applicable leases or occupancy agreements;
- (b) payroll and commissions, if applicable, for all Closing Store-level Retained Employees used in conducting the Sale as well as payroll for any of Merchant's former employees or temporary labor retained by Agent for the Sale as independent contractors;
- (c) any amounts payable by Merchant for benefits for Retained Employees (including FICA, unemployment taxes, workers' compensation and health care insurance benefits, but excluding Excluded Benefits) for Retained

Employees used in the Sale, in an amount *equal to* eighteen and two tenths percent (18.2%) of base payroll for each Retained Employee in the Closing Stores (the “Benefits Cap”);

- (d) Retention Bonuses for Retained Employees, as provided for in Section 9.4 below;
- (e) actual costs of Agent’s employees, independent contractors, on-site supervision, supervisor travel and supervisor bonuses, on-site living/housing expenses and all other reasonable compensation paid to such persons;
- (f) A-Frame, banners and in-store signs used in connection with the Sale;
- (g) promotional costs including, without limitation, advertising, and direct mail;
- (h) the costs and expenses of obtaining additional supplies as may be required by Agent in the conduct of the Sale;
- (i) local, leased line, satellite broadband connections and long distance telephone expenses incurred in the conduct of the Sale;
- (j) postage/overnight delivery/courier charges;
- (k) credit card and bank card fees, Telecheck, chargebacks and discounts, bad debt expense, and any other bank charges relating to Closing Stores;
- (l) costs of moving, transferring, or consolidating Merchandise between the Closing Stores;
- (m) a pro rata portion for the Sale Term of Merchant’s premiums in respect of casualty, property, inventory, boiler, earthquake and other insurance policies attributable to the Merchandise;
- (n) third party payroll processing fees for the Retained Employees;
- (o) armored car service, security personnel and monthly alarm services;
- (p) actual cost of Agent’s capital and letter of credit fees;
- (q) reasonable fees of Agent’s legal counsel incurred in implementing the transactions contemplated by this Agreement (for the avoidance of doubt, not including any attorneys’ fees incurred by Agent in connection with any dispute with Merchant unless Agent prevails in a dispute with

Merchant);

- (r) trash removal and ordinary course third party cleanings;
- (s) Agent's fifty percent (50%) of cost of the physical inventory taking by the Inventory Taking Service;
- (t) costs and expenses of delivery, assembly, repair and touch-up services;
- (u) cash shortfalls in registers; and
- (v) routine repair and maintenance costs, solely to the extent such costs result from the Agent's acts or omissions during the term of the Sale.

"Expenses" shall not include: (i) Central Service Expenses; (ii) Excluded Benefits; (iii) any Occupancy Expenses in excess of the amounts set forth on Exhibit 4.1(a); (iv) any costs, expenses or liabilities arising during the Sale Term in connection with the Sale of Merchandise, other than the Expenses listed above, all of which shall be paid by Merchant promptly when due during the Sale Term. There will be no double payment of Expenses to the extent that Expenses appear or are contained in more than one Expense category. Notwithstanding anything herein to the contrary, to the extent that any Expense listed in Section 4.1 is also included on Exhibit 4.1(a), then Exhibit 4.1(a) shall control and such Expense shall not be double counted.

As used herein, the following terms have the following respective meanings:

"Central Services Expenses" means costs and expenses for Merchant's central administrative services necessary for the Sale including but not limited to Merchant's (a) inventory control system; (b) payroll system; and (c) accounting system.

"Excluded Benefits" means (i) the following benefits arising or accruing prior to the Sale Commencement Date: (w) vacation days or vacation pay, (x) sick days or sick leave or any other form of paid time off, (y) maternity leave or other leaves of absence, termination or severance pay and (z) ERISA coverage and similar contributions and/or (ii) any other benefits in excess of the Benefits Cap, including any payments due under the Worker Adjustment Retraining Notification Act ("WARN Act").

"Occupancy Expenses" means rent, percentage rent, CAM, real estate and use taxes, HVAC, utilities, base telephone charges and all other categories of expenses at the Closing Stores as set forth on Exhibit 4.1(a) attached hereto, and in the specific amounts set forth on Exhibit 4.1(a) attached hereto *plus* the portion of any percentage rent obligations allocable to the sale of Merchandise during the Sale incurred by Merchant under applicable leases or occupancy agreements.

"Third party" means, with reference to any Expenses to be paid to a "third party", a party that is not affiliated with or related to Merchant.

4.2 Payment of Expenses; Security.

(a) All Expenses incurred during each week of the Sale (*i.e.*, Monday through Sunday) shall be paid by Agent to or on behalf of Merchant, or offset by Merchant from Proceeds held by Merchant, immediately following the weekly Sale reconciliation by Merchant and Agent pursuant to Section 8.7(a) below, based upon invoices and other documentation reasonably satisfactory to Agent; provided, however, Agent shall be obligated to pre-fund any Occupancy Expenses and payroll-related expenses consistent with Merchant's customary rent and payroll funding practices and timing.

(b) To secure Agent's obligations to pay Expenses, Agent shall deliver to Merchant an irrevocable and unconditional standby letter of credit ("Expense L/C") in an original face amount representing an amount equal to three (3) weeks' estimated Expenses, naming the Merchant as beneficiary (substantially in the form of Exhibit 4.2(b)). Agent shall use its best efforts to cause the Expense L/C to Merchant no later than one (1) business day after the Sale Commencement Date, and shall be issued by a U.S. national bank selected by Agent and reasonably acceptable to Merchant and Lender. Merchant, the Lender, and Agent agree that at the point where there are fewer than two (2) weeks remaining in the Sale Term, the face amount of the Expense L/C shall be reduced in amount(s) to be agreed upon by Merchant and Agent.

(c) In the event that Agent fails to pay any Expense(s) when due, or within three (3) business days after Merchant and/or the Merchant notifies Agent that any Expense(s) are unpaid and past due, or in the event the Expense L/C will expire within five (5) business days and one or more Expenses are then unpaid, the Merchant shall be entitled to draw on the Expense L/C to fund such unpaid amount. The Expense L/C shall expire not earlier than the date that is sixty (60) days after the Sale Termination Date; provided that, in the event that at the scheduled expiration date of the Expense L/C there remains any unresolved dispute as to the amount of any unpaid Expense hereunder, the Merchant may, in its discretion, exercise the right to cause Agent to have the expiration date of the Expense L/C extended for additional thirty day (30) intervals (or such other longer duration as the Merchant, Lender, and Agent may agree) until such time as the dispute has been resolved and any additional amounts due hereunder have been paid to Merchant.

Section 5. Merchandise.

5.1 Merchandise Subject to this Agreement.

For purposes of this Agreement, "Merchandise" shall have the meaning as set forth in the APA.

5.3 Intentionally Omitted.

5.4 Intentionally Omitted

Section 6. Sale Term.

6.1 Term. The Sale shall commence at the Closing Stores on September 13, 2008 (the "Sale Commencement Date"). The Agent shall complete the Sale, and shall vacate each Store's premises in favor of Merchant or its representative or assignee on or before November 30, 2008 (the "Sale Termination Date"). The period from the Sale Commencement Date to the Sale Termination Date shall be referred to herein as the "Sale Term". The Sale Termination Date may be (a) extended by mutual written agreement of Agent and Merchant; or (b) accelerated by Agent, in which case Agent shall provide Merchant with not less than ten (10) days' advance written notice of any such planned accelerated Sale Termination Date.

6.2 Vacating the Closing Stores. Subject to the terms of Section 6.1 hereof, Agent shall provide Merchant with not less than ten (10) days' advance written notice of its intention to vacate any Closing Store (as to each such Closing Store, as applicable, the "Vacate Date"). On the Vacate Date, Agent shall vacate in favor of Merchant or its representatives or assignee, remove all Remaining Merchandise and leave the applicable Closing Stores in "broom clean" condition (ordinary wear and tear excepted) subject to the right to abandon, neatly in place, the FF&E. Agent's obligations to pay all Expenses, including Occupancy Expenses, for each Closing Store subject to Vacate Notice shall continue until the later of (a) the applicable Vacate Date for such Store, or (b) the 15th day of the calendar month in which the Vacate Date for such Store occurs. All assets of Merchant used by Agent in the conduct of the Sale (e.g. FF&E, etc.) shall be returned by Agent to Merchant (or left at the Store) at the end of the Sale Term to the extent the same have not been consumed in the conduct of the Sale or sold (e.g., Supplies). Agent shall be responsible for all Occupancy Expenses (irrespective of any per diem cap on Occupancy Expenses) for a Closing Store for which Merchant is or becomes obligated resulting from Agent's failure to vacate such Store in a timely manner but only for the period after the date of such failure to timely vacate.

Section 7. Sale Proceeds.

7.1 Proceeds. For purposes of this Agreement, "Proceeds" shall mean the aggregate of (a) the total amount (in dollars) received on all sales of Merchandise and Owned FF&E made under this Agreement, exclusive of Sales Taxes; and (b) all proceeds of Merchant's insurance for loss or damage to Merchandise or Owned FF&E or loss of cash arising from events occurring during the Sale Term. Proceeds shall also include any and all proceeds received by Agent from the disposition, in a commercially reasonable manner, of unsold Merchandise and Owned FF&E at the end of the Sale, whether through salvage, bulk sale or otherwise.

Section 8. Conduct of the Sale.

8.1 Rights of Agent. Subject to the Approval Order, Agent shall be permitted to conduct a "store closing," "sale on everything," "everything must go," or similar themed sale at the Closing Stores throughout the Sale Term in a manner consistent with the Sale guidelines ("Sale Guidelines") annexed hereto as Exhibit 8.1 applicable to the Closing Stores. In addition to any other rights granted to Agent hereunder in conducting the Sale, but subject to the Sale

Guidelines and the Approval Order, the Agent, in the exercise of its reasonable discretion, shall have the right:

(a) to establish Sale prices and Store hours which are consistent with the terms of applicable leases and local laws or regulations, including without limitation Sunday closing laws;

(b) except as otherwise expressly included as an Expense, to use without charge during the Sale Term all FF&E, Store-level customer email lists (provided, however, such access shall be provided solely through Merchant's outside advertisement email services, and the Agent shall not have direct access to any personally identifiable information contained therein), computer hardware and software, existing supplies located at the Closing Stores, intangible assets (including Merchant's name, logo and tax identification numbers), Store keys, case keys, security codes and safe and lock combinations required to gain access to and operate the Closing Stores, and any other assets of Merchant located at the Closing Stores (whether owned, leased, or licensed) consistent with the Approval Order;

(c) to use (i) Merchant's central office facilities, central administrative services and personnel to process payroll, perform MIS, POS, and provide other central office services necessary for the Sale to the extent that such services are normally provided by Merchant in the ordinary course, at no additional cost to Agent and (ii) offices located at Merchant's central office facility reasonably necessary to conduct the Sale.

(d) to establish and implement advertising, signage and promotion programs consistent with the "store closing" or similar theme (including, without limitation, by means of media advertising, sign-walkers, A-frame signs, and interior and exterior signs and banners) in a manner consistent with the Sale Guidelines and applicable law;

(e) to transfer Merchandise between and among the Closing Stores; provided, however, the Agent shall not transfer Merchandise between Closing Stores unless the Inventory Taking at the transferring and receiving Closing Store has been completed; and

(f) upon entry of the Approval Order, Agent shall be authorized to conduct the Sale in accordance with the provisions of the Sale Guidelines and Approval Order.

8.2 Terms of Sales to Customers. Subject to Agent's compliance with applicable law, all sales of Merchandise will be "final sales" and "as is" and all advertisements and sales receipts will reflect the same. Agent shall not warrant the Merchandise in any manner, but will, to the extent legally permissible, pass on all manufacturers' warranties to customers. All sales will be made only for cash, nationally recognized bank credit cards, and, in Agent's discretion, personal checks, provided, however, if Agent determines to accept personal checks, Agent shall bear the risk of loss therefor.

8.3 Sales Taxes. (a) During the Sale Term, all sales, excise, gross receipts and other taxes attributable to sales of Merchandise, as indicated on Merchant's point of sale

equipment (other than taxes on income) payable to any taxing authority having jurisdiction (collectively, "Sales Taxes") shall be added to the sales price of Merchandise and collected by Agent, on Merchant's behalf, at the time of sale. All Sales Taxes shall be deposited into a segregated account designated by Merchant and Agent solely for the deposit of such Sales Taxes (the "Sales Taxes Account"). Merchant shall prepare and file all applicable reports and documents required by the applicable taxing authorities, and Merchant shall promptly pay all Sales Taxes from the Sales Taxes Account. Merchant will be given access to the computation of gross receipts for verification of all such tax collections. Provided that Agent performs its responsibilities in accordance with this Section 8.3, Merchant shall indemnify and hold harmless Agent from and against any and all costs, including, but not limited to, reasonable attorneys' fees, assessments, fines or penalties which Agent sustains or incurs as a result or consequence of the failure by Merchant to promptly pay such taxes to the proper taxing authorities and/or the failure by Merchant to promptly file with such taxing authorities all reports and other documents required, by applicable law, to be filed with or delivered to such taxing authorities. If Agent fails to perform its responsibilities in accordance with this Section 8.3, and provided Merchant complies with its obligations hereunder, Agent shall indemnify and hold harmless Merchant from and against any and all costs, including, but not limited to, reasonable attorneys' fees, assessments, fines or penalties which Merchant sustains or incurs as a result or consequence of the failure by Agent to collect Sales Taxes and/or the failure by Agent to promptly deliver any and all reports and other documents required to enable Merchant to file any requisite returns with such taxing authorities.

(b) Without limiting the generality of Section 8.3(a) hereof, it is hereby agreed that, as Agent is conducting the Sale solely as agent for Merchant, various payments that this Agreement contemplates that one party may make to the other party do not represent the sale of tangible personal property and, accordingly, are not subject to Sales Taxes.

8.4 Supplies. Agent shall have the right to use, without charge, all existing supplies located at the Closing Stores, including, without limitation, boxes, bags, paper, twine and similar sales materials (collectively, "Supplies"). In the event that additional Supplies are required in any of the Closing Stores during the Sale, Merchant agrees to promptly provide the same to Agent, if available, for which Agent shall reimburse Merchant at its cost therefor. Merchant does not warrant that the existing Supplies as of the Sale Commencement Date are adequate for the purposes of the Sale.

8.5 Returns of Merchandise. During the Sale Term, Agent shall not accept returns of merchandise sold by Merchant prior to the Sale Commencement Date ("Returned Merchandise").

8.6. Gift Certificates. Agent shall not accept Merchant's gift certificates, gift cards and merchandise credits issued by Merchant prior to the Sale Commencement Date.

8.7. Sale Reconciliation.

(a) Weekly Reconciliation. On each Wednesday during the Sale Term, commencing on the second Wednesday after the Sale Commencement Date, Agent and Merchant shall cooperate to reconcile Expenses and such other Sale-related items as either party shall reasonably request, in each case for the prior week or partial week (i.e. Sunday through Saturday), all pursuant to procedures agreed upon by Merchant and Agent (the "Weekly Sale Reconciliation").

(b) Final Reconciliation. (i) Within thirty (30) days after the Sale Termination Date, Agent and Merchant shall jointly prepare a final reconciliation of the Sale including, without limitation, a summary of Proceeds, taxes, Expenses, and any other accountings required hereunder (the "Final Reconciliation"). Within five (5) days of completion of the Final Reconciliation, any undisputed and unpaid Expenses shall be paid by Agent. In the absence of an order of the Bankruptcy Court, no such disputed amount(s) shall be paid until the dispute has been resolved by agreement of the parties. During the Sale Term, and until all of Agent's obligations under this Agreement have been satisfied, Merchant and Agent shall have reasonable access to Merchant's and Agent's records with respect to Proceeds, taxes, Expenses and other Sale-related items to review and audit such records.

8.8 Force Majeure. If any casualty, act of terrorism, or act of God prevents or substantially inhibits the conduct of business in the ordinary course at any Closing Store, such Closing Store and the Merchandise located at such Closing Store shall, in Agent's discretion, be eliminated from the Sale and considered to be deleted from this Agreement as of the date of such event, and Agent and Merchant shall have no further rights or obligations hereunder with respect thereto; provided, however, that subject to the terms of Section 7.1 above, the proceeds of any insurance attributable to such Merchandise shall constitute Proceeds hereunder.

Section 9. Employee Matters.

9.1 Merchant's Employees. Subject to the applicable provisions of the Approval Order and any other provisions in this Agreement relating to employees, Agent may use Merchant's employees in the conduct of the Sale to the extent Agent in its sole discretion deems expedient, and Agent may select and, with Merchant, schedule the number and type of Merchant's employees required for the Sale. Agent shall identify any such employees to be used in connection with the Sale (each such employee, a "Retained Employee") prior to the Sale Commencement Date. Retained Employees shall at all times remain employees of Merchant, and shall not be considered or deemed to be employees of Agent. Merchant and Agent agree that except to the extent that wages and benefits of Retained Employees constitute Expenses hereunder and except as otherwise expressly provided in this Agreement, nothing contained in this Agreement and none of Agent's actions taken in respect of the Sale shall be deemed to constitute an assumption by Agent of any of Merchant's obligations relating to any of Merchant's employees including, without limitation, Excluded Benefits, Worker Adjustment Retraining Notification Act ("WARN Act") claims and other termination type claims and obligations, or any other amounts required to be paid by statute or law (except to the extent such items are amounts for which Merchant is entitled to indemnification pursuant hereto); nor shall Agent become liable under any collective bargaining or employment agreement or be deemed a

joint or successor employer with respect to such employees. Merchant shall not, without Agent's prior written consent, raise the salary or wages or increase the benefits for, or pay any bonuses or make any other extraordinary payments to, any of the Retained Employees, except as otherwise provided in this Agreement.

9.2 Termination of Employees By Merchant. Agent may in its discretion stop using any Retained Employee at any time during the Sale. In the event Agent determines to discontinue its use of any Retained Employee in connection with the conduct of the Sale, Agent will provide written notice to Merchant at least seven (7) days prior thereto, except for termination "for cause" (such as dishonesty, fraud or breach of employee duties), in which event no prior notice to Merchant shall be required, provided Agent shall notify Merchant as soon as practicable after such termination. From and after the date of this Agreement and until the Sale Termination Date, Merchant shall not transfer or dismiss employees of the Closing Stores except "for cause" without Agent's prior consent (which consent shall not be unreasonably withheld). Notwithstanding any other provision hereof, Agent will indemnify Merchant with respect to any claims by Retained Employees arising from Agent's treatment of such Retained Employees.

9.3 Payroll Matters. During the Sale Term, Merchant shall process and pay the base payroll and all related payroll taxes, worker's compensation, employment and unemployment insurance, and benefits for all Retained Employees, including any independent contractors retained by Agent, in accordance with its usual and customary procedures. At Agent's expense, Merchant shall also process payroll for additional personnel retained by Agent for the Sale.

9.4 Employee Retention Bonuses. Agent may pay, as an Expense, retention bonuses ("Retention Bonuses") (which bonuses shall be inclusive of payroll taxes, but as to which no benefits shall be payable), up to a maximum of ten percent (10%) of base payroll for all Retained Employees, to such Retained Employees who do not voluntarily leave employment and are not terminated "for cause," as it may determine in its discretion. The amount of such Retention Bonuses shall be in an amount to be determined by Agent, in its discretion, and shall be payable within thirty (30) days after the Sale Termination Date, and shall be processed through Merchant's payroll system.

Section 10. Conditions Precedent.

The willingness of Agent and Merchant to enter into the transactions contemplated under this Agreement are directly conditioned upon the satisfaction of the following conditions at the time or during the time periods indicated, unless specifically waived in writing by the applicable party:

(a) All representations and warranties of Merchant and Agent hereunder shall be true and correct in all material respects and no Event of Default shall have occurred at and as of the date hereof and as of the Sale Commencement Date.

(b) Merchant shall have obtained the Sale Order on or before September 11, 2008.

(c) Merchant shall have obtained the consent of the Lender to enter into this Agreement.

Section 11. Representations, Warranties and Covenants.

11.1 Merchant's Representations, Warranties and Covenants. Merchant hereby represents, warrants, and covenants in favor of Agent as follows:

(a) Merchant (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; (ii) has all requisite corporate power and authority to own, lease and operate its assets and properties and to carry on its business as presently conducted; and (iii) is and during the Sale Term will continue to be, duly authorized and qualified to do business and in good standing in each jurisdiction where the nature of its business or properties requires such qualification, including all jurisdictions in which the Closing Stores are located, except, in each case, to the extent that the failure to be in good standing or so qualified could not reasonably be expected to have a material adverse effect on the ability of Merchant to execute and deliver this Agreement and perform fully its obligations hereunder.

(b) Subject to the issuance and entry of the Approval Order, Merchant has the right, power and authority to execute and deliver this Agreement and each other document and agreement contemplated hereby (collectively, together with this Agreement, the "Agency Documents") and to perform fully its obligations thereunder. Subject to the issuance and entry of the Approval Order, Merchant has taken all necessary actions required to authorize the execution, delivery and performance of the Agency Documents, and no further consent or approval on the part of Merchant is required for Merchant to enter into and deliver the Agency Documents, to perform its obligations thereunder, and to consummate the Sale. Subject to the issuance and entry of the Approval Order, each of the Agency Documents has been duly executed and delivered by Merchant and constitutes the legal, valid and binding obligation of Merchant enforceable in accordance with its terms. Subject to the issuance and entry of the Approval Order, no court order or decree of any federal, state, local, or provincial governmental authority or regulatory body is in effect that would prevent or materially impair, or is required for the Merchant's consummation of, the transactions contemplated by this Agreement, and no consent of any third party which has not been obtained is required therefore, other than as shall be obtained prior to the Sale Commencement Date, except for any such consent the failure of which to be obtained could not reasonably be expected to have a material adverse effect on the ability of Merchant to execute and deliver this Agreement and perform fully its obligations hereunder. Other than for any consent as shall be obtained prior to the Sale Commencement Date, and those contracts or agreements identified by Merchant to Agent on or prior to the Sale Commencement Date, if any, no contract or other agreement to which the Merchant is a party or by which the Merchant is otherwise bound will prevent or materially impair the consummation of the Sale and the other transactions contemplated by this Agreement

(c) Merchant owns, and will own at all times during the Sale Term, good and marketable title to all of the Merchandise and Owned FF&E (such Owned FF&E being identified on Exhibit 11.1(c)(i)) to be included in the Sale, free and clear of all liens, claims and encumbrances of any nature, other than the liens listed on Exhibit 11.1(c)(ii) and any applicable statutory liens. Merchant shall not create, incur, assume or suffer to exist any security interest, lien or other charge or encumbrance upon or with respect to any of the Merchandise or the Proceeds (including any proceeds from the sale of Owned FF&E) other than as provided for herein (including those listed on Exhibit 11.1(c) and any applicable statutory liens). Any Sale Order shall provide that all such liens, claims and encumbrances shall be transferred to and attach only to the Purchase Price or other amounts payable to Merchant hereunder.

(a) Merchant has maintained its pricing files in the ordinary course of business, and prices charged to the public for goods (whether in-Store, by advertisement or otherwise) are the same in all material respects as set forth in such pricing files for the periods indicated therein (without consideration of any point of sale markdowns or advertised sales). All pricing files and records relative to the Merchandise have been made available to Agent. To the best of Merchant's knowledge, all pricing files and records are true and accurate in all material respects as to the actual cost to Merchant for purchasing the goods referred to therein and as to the selling price to the public for such goods as of the dates and for the periods indicated therein.

(b) Merchant shall ticket or mark all items of inventory received at the Closing Stores prior to the Sale Commencement Date in a manner consistent with similar Merchandise located at the Closing Stores and in accordance with Merchant's past practices and policies relative to pricing and marking inventory.

(c) To the best of Merchant's knowledge, all Merchandise is in material compliance with all applicable federal, state or local product safety laws, rules and standards. Merchant shall provide Agent with its historic policies and practices, if any, regarding product recalls prior to the Sale Commencement Date.

(d) Subject to the terms of this Agreement, throughout the Sale Term, Agent shall have the right to the unencumbered use and occupancy of, and peaceful and quiet possession of, each of the Closing Stores, the assets currently located at the Closing Stores to the extent Merchant is entitled to use the same, and the services provided at the Closing Stores to the extent Merchant is entitled to such services. Except any amounts owing as a result of the commencement of any Chapter 11 Case, and absent a bona fide dispute, throughout the Sale Term, Merchant shall remain current on all expenses and payables necessary for the conduct of the Sale (other than those relating to any period prior to the commencement of any Chapter 11 Case), subject to any restrictions that may be imposed under the Bankruptcy Code.

(e) Except any amounts owing as a result of the commencement of any Chapter 11 Case, Merchant had paid, and will continue to pay all self-insured or Merchant funded employee benefit programs for Closing Stores' employees, including health and medical benefits and insurance and all proper claims made or to be made in accordance with such programs.

(f) Supplies have not been, since August 1, 2008, and shall not be, prior to the Sale Commencement Date, transferred by Merchant to or from the Closing Stores so as to alter the mix or quantity of supplies at the Closing Stores from that existing on such date, other than in the ordinary course of business.

(g) Except as may be impacted by the filing of the Chapter 11 Case, or otherwise restricted by the Chapter 11 filing, Merchant covenants to continue to operate the Closing Stores in all material respects in the ordinary course of business from the date of this Agreement to the Sale Commencement Date by: (i) selling inventory during such period at customary prices consistent with the ordinary course of business; (ii) not promoting or advertising any sales or in-store promotions (including POS promotions) to the public (except for Merchant's pending advertisements as of the date of this Agreement and/or Merchant's promotions for the period through the Sale Commencement Date; (iii) except as may occur in the ordinary course of business, not returning inventory to vendors and not transferring inventory or supplies between or among Stores; and (iv) except as may occur in the ordinary course of business, not making any management personnel moves or changes at the Closing Stores without prior written notice to and consultation with Agent.

(h) As of the Sale Commencement Date, all ordinary course permanent markdowns on inventory located at the Closing Stores will have been taken on a basis consistent with Merchant's historical practices and policies.

(i) Since August 1, 2008, Merchant has not, and shall not, up to the Sale Commencement Date, marked up or raised the price of any items of Merchandise, or removed or altered any tickets or any indicia of clearance merchandise, except in the ordinary course of business.

(j) Merchant has not and shall not purchase or transfer to or from the Closing Stores any merchandise or goods outside the ordinary course in anticipation of the Sale or of the Inventory Taking.

(k) The mix/assortment of all Merchandise included in the Sale will not be materially inconsistent with the mix/assortment of Merchandise data provided by Merchant to Agent in connection with Merchant's due diligence process.

(l) No action, arbitration, suit, notice, or legal, administrative or other proceeding before any court or governmental body has been instituted by or against the Merchant, or has been settled or resolved, or to Merchant's knowledge, is threatened against or affects Merchant, relative to Merchant's business or properties, or which questions the validity of this Agreement, or that if adversely determined, would adversely affect the conduct of the Sale.

(m) Merchant has not intentionally taken, and shall not throughout the Sale Term intentionally take, any actions with the intent of increasing the Expenses, including, without limitation, increasing salaries or other amounts payable to employees.

(n) Merchant is not a party to any collective bargaining agreements with its employees; to the best of Merchant's knowledge, no labor unions represent Merchant's employees at the Closing Stores; and to the best of Merchant's knowledge, there are currently no strikes, work stoppages or other labor disturbances affecting the Closing Stores or Merchant's central office facilities.

11.2 Agent's Representations, Warranties and Covenants. Agent hereby represents, warrants and covenants in favor of Merchant as follows:

(a) Agent: (i) is a corporation, partnership, or limited liability company, as the case may be, duly and validly existing and in good standing under the laws of the State of its organization; (ii) has all requisite power and authority to carry on its business as presently conducted and to consummate the transactions contemplated hereby; and (iii) is and during the Sale Term will continue to be duly authorized and qualified as a foreign company to do business and in good standing in each jurisdiction where the nature of its business or properties requires such qualification.

(b) Agent has the right, power and authority to execute and deliver each of the Agency Documents to which it is a party and to perform fully its obligations thereunder. Agent has taken all necessary actions required to authorize the execution, delivery, and performance of the Agency Documents, and no further consent or approval is required on the part of Agent for Agent to enter into and deliver the Agency Documents, to perform its obligations thereunder, and to consummate the Sale. Each of the Agency Documents has been duly executed and delivered by the Agent and, constitutes the legal, valid and binding obligation of Agent enforceable in accordance with its terms. No court order or decree of any federal, provincial, state or local governmental authority or regulatory body is in effect that would prevent or impair or is required for Agent's consummation of the transactions contemplated by this Agreement, and no consent of any third party which has not been obtained is required therefor other than as provided herein. No contract or other agreement to which Agent is a party or by which Agent is otherwise bound will prevent or impair the consummation of the transactions contemplated by this Agreement.

(c) No action, arbitration, suit, notice, or legal administrative or other proceeding before any court or governmental body has been instituted by or against Agent, or has been settled or resolved, or to Agent's knowledge, has been threatened against or affects Agent, which questions the validity of this Agreement or any action taken or to be taken by Agent in connection with this Agreement, or which if adversely determined, would have a material adverse effect upon Agent's ability to perform its obligations under this Agreement.

Section 12. Insurance.

12.1 Merchant's Liability Insurance. Merchant shall continue until the Sale Termination Date, in such amounts as it currently has in effect, all of its liability insurance policies including, but not limited to, products liability, comprehensive public liability, auto liability and umbrella liability insurance, covering injuries to persons and property in, or in connection with Merchant's operation of the Closing Stores, and shall cause Agent to be named

an additional named insured with respect to all such policies. Prior to the Sale Commencement Date, Merchant shall deliver to Agent certificates evidencing such insurance setting forth the duration thereof and naming Agent as an additional named insured, in form reasonably satisfactory to Agent. All such policies shall require at least thirty (30) days prior notice to Agent of cancellation, non-renewal or material change. In the event of a claim under any such policies Merchant shall be responsible for the payment of all deductibles, retentions or self-insured amounts to the extent said claim arises from or relates to the alleged acts or omissions of Merchant or its employees, agents (other than Agent's employees), or independent contractors (other than Agent and independent contractors hired by Agent in conjunction with the Sale).

12.2 Merchant's Casualty Insurance. Merchant shall continue until the Sale Termination Date, in such amounts as it currently has in effect, fire, flood, theft and extended coverage casualty insurance covering the Merchandise in a total amount equal to no less than the cost value thereof, which coverage shall be reduced from time to time to take into account the sale of Merchandise. In the event of a loss to the Merchandise on or after the date of this Agreement, the proceeds of such insurance attributable to the Merchandise (net of any deductible) shall constitute Proceeds. Prior to the Sale Commencement Date, Merchant shall deliver to Agent certificates evidencing such insurance setting forth the duration thereof, in form and substance reasonably satisfactory to Agent. All such policies shall require at least thirty (30) days prior notice to Agent of cancellation, non-renewal or material change. Merchant shall not make any change in the amount of any deductibles or self-insurance amounts prior to the Sale Termination Date or the Extended Sale Termination Date, as the case may be, without Agent's prior written consent.

12.3 Worker's Compensation Insurance. Merchant shall continue until the Sale Termination Date, in such amounts as it currently has in effect, worker's compensation insurance (including employer liability insurance) covering all Retained Employees in compliance with all statutory requirements. Prior to the Sale Commencement Date, Merchant shall deliver to Agent a certificate of its insurance broker or carrier evidencing such insurance.

12.4 Agent's Insurance. Agent shall maintain as an Expense hereunder throughout the Sale Term, in such amounts as it currently has in effect, comprehensive public liability and automobile liability insurance policies covering injuries to persons and property in or in connection with Agent's agency at the Closing Stores to be named an additional insured with respect to such policies. Prior to the Sale Commencement Date, Agent shall deliver to Merchant certificates evidencing such insurance policies, setting forth the duration thereof and naming Merchant as an additional insured, in form and substance reasonable satisfactory to Merchant. In the event of a claim under such policies Agent shall be responsible for the payment of all deductibles, retentions or self-insured amounts thereunder, to the extent said claim arises from or relates to the alleged acts or omissions of Agent or Agent's employees, agents or independent contractors).

12.5 Risk of Loss. Without limiting any other provision of this Agreement, Merchant acknowledges that Agent is conducting the Sale on behalf of Merchant solely in the capacity of an agent, and that in such capacity (i) Agent shall not be deemed to be in possession or control of

the Closing Stores or the assets located therein or associated therewith, or of Merchant's employees located at the Closing Stores, and (ii) except as expressly provided in this Agreement, Agent does not assume any of Merchant's obligations or liabilities with respect to any of the foregoing. Agent shall not be deemed to be a successor employer. Merchant and Agent agree that, subject to the terms of this Agreement, Merchant shall bear all responsibility for liability claims of customers, employees and other persons arising from events occurring at the Closing Stores during and after the Sale Term, except to the extent any such claim arises directly from the acts or omissions of Agent, or its supervisors, agents, independent contractors, or employees located at the Closing Stores (an "Agent Claim"). In the event of any liability claim other than an Agent Claim, Merchant shall administer such claim and shall present such claim to Merchant's liability insurance carrier in accordance with Merchant's policies and procedures existing immediately prior to the Sale Commencement Date, and shall provide a copy of the initial documentation relating to such claim to Agent at the address listed in this Agreement. To the extent that Merchant and Agent agree that a claim constitutes an Agent Claim, Agent shall administer such claim and shall present such claim to its liability insurance carrier, and shall provide copies of the initial documentation relating to such claim to Merchant. In the event that Merchant and Agent cannot agree whether a claim constitutes an Agent Claim, each party shall present the claim to its own liability insurance carrier, and a copy of the initial claim documentation shall be delivered to the other party to the foregoing address.

Section 13. Indemnification.

13.1 Merchant Indemnification. Merchant shall indemnify and hold Agent and its officers, directors, employees, agents and independent contractors (collectively, "Agent Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from or related to: (i) Merchant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained in any Agency Document; (ii) subject to Agent's performance and compliance with its obligations hereunder, any failure of Merchant to pay to its employees any wages, salaries or benefits due to such employees during the Sale Term, (iii) subject to Agent's compliance with its obligations hereunder, any failure by Merchant to pay any Sales Taxes to the proper taxing authorities or to properly file with any taxing authorities any reports or documents required by applicable law to be filed in respect thereof, (iv) any consumer warranty or products liability claims except to the extent such claims arise from representations made by the Agent relating to the Merchandise, or (v) the gross negligence (including omissions) or willful misconduct of Merchant, or its officers, directors, employees, agents or representatives.

13.2 Agent Indemnification. Agent shall indemnify and hold Merchant and its officers, directors, employees, agents and representatives harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from, or related to: (i) Agent's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained in any Agency Document; (ii) any claims by any party engaged by Agent as an employee or independent contractor arising out of such employment; and (iii) the gross negligence (including omissions) or willful misconduct of Agent, its officers, directors, employees, agents or representatives.

Section 14. Defaults.

The following shall constitute "Events of Default" hereunder:

- (a) The parties agree that this Agreement shall automatically terminate upon termination of the APA.
- (b) The following shall constitute "Events of Default" hereunder:
 - (i) The Merchant or Agent shall fail to perform any material obligation hereunder if such failure remains uncured ten (10) days after receipt of written notice thereof; or
 - (ii) Any representation or warranty made by Merchant or Agent proves untrue in any material respect as of the date made and, to the extent curable, continues uncured ten (10) days after written notice to the defaulting party; or

(iii) The Sale is terminated or materially interrupted or impaired for any reason other than (x) an Event of Default by Agent, or (y) any other material breach or action by Agent not authorized hereunder.

In the event of an Event of Default, (x) the non-defaulting party, in the case of Section 14(b)(i) or Section 14(b)(ii), or (y) the Agent, in the case of Section 14(b)(iii), may, in its discretion, elect to terminate this Agreement upon written notice to the other party; and any party's damages or entitlement to equitable relief on account of an Event of Default shall be determined by the Bankruptcy Court.

Section 15. Fixtures.

With respect to the FF&E owned by Merchant (the "Owned FF&E") and located at the Closing Stores, Agent shall be permitted to sell the Owned FF&E in any such Closing Store. Agent shall be entitled to all proceeds from the sale of such Owned FF&E (net only of sales taxes); provided however, Agent shall be responsible for payment of expenses incurred in connection with the disposition of the Owned FF&E. Agent may abandon, in place, any unsold FF&E, at the Closing Stores.

Section 16. Miscellaneous.

16.1 Notices. All notices and communications provided for pursuant to this Agreement shall be in writing, and sent by hand, by facsimile, or a recognized overnight delivery service, as follows:

If to Agent: Grand Home Holdings Inc.
3838 West Miller Road,
Garland, Texas 75041
Facsimile: (972) 279-8440

With a copy (which shall not constitute notice) to:

Wasserman Comden & Casselman, LLP
801 S. Garfield Ave., Suite 328
Alhambra, CA 91801
Facsimile: (626) 308-9538
Attention: Tim T. Chang, Esq.

If to Sub-Agent:

Hilco Merchant Resources, LLC
5 Revere Drive, Suite 206
Northbrook, IL 60062
Attn: Joseph Malfitano
Tel: 847-504-3257
Fax: 847-897-0868
Email: jmalfitano@hilcotrading.com

If to the Merchant:

Barbeques Galore, Inc.
2173 Salk Avenue, Suite 200
Carlsbad, California 92008
Attn:
Fax:

With a copy to:

Jeffrey Dulberg, Esquire
Pachuski, Stang, Ziehl & Jones LLP
10100 Santa Monica Blvd., 11th Floor
Los Angeles, California 90067-4100
Fax: 310 - 201 - 0760

16.2 Governing Law; Consent to Jurisdiction. This Agreement shall be governed and construed in accordance with the law of the State of California, without regard to conflicts of laws principles thereof. The parties hereto agree that the Bankruptcy Court shall retain exclusive jurisdiction to hear and finally determine any disputes arising from or under this Agreement, and by execution of this Agreement each party hereby irrevocably accepts and submits to the jurisdiction of such court with respect to any such action or proceeding and to service of process by certified mail, return receipt requested to the address listed above for each party.

16.3 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes and cancels all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto.

16.4 Amendments. This Agreement may not be modified except in a written instrument executed by each of the parties hereto.

16.5 No Waiver. No consent or waiver by any party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party. Failure on the part of any party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

16.6 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon Agent and Merchant, including, but not limited to, any chapter 11 or chapter 7 trustee. Agent shall not be permitted to assign its obligations under this Agreement.

16.7 Execution in Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one agreement. This Agreement may be executed by facsimile or other electronic transmission, and such facsimile or electronic signature shall be treated as an original signature hereunder.

16.8 Section Headings. The headings of sections of this Agreement are inserted for convenience only and shall not be considered for the purpose of determining the meaning or legal effect of any provisions hereof.

16.9 Survival. All representations, warranties, covenants and agreements made herein, by the parties hereto, shall be continuing, shall be considered to have been relied upon by the parties and shall survive the execution, delivery and performance of this Agreement.


16.10. Security Interest. Upon payment of the amounts set forth in Section 3.1(b) of the APA and issuance of the Expense L/C, Merchant hereby grants to Agent pursuant to Bankruptcy Code § 364(d) a first priority security interest in and lien upon the Merchandise, Owned FF&E, and the Agent's commission regarding the sale or other disposition of Merchant Consignment Goods under Section 5.4 hereof, and the Proceeds to secure all obligations of Merchant to Agent hereunder. Pursuant to the Approval Order, the security interest granted to Agent hereunder shall be deemed properly perfected without the need for further filings or documentation.

16.11. Agent and Sub-Agent. All references to "Agent: hereunder shall mean Newco. Agent shall have the right at any time and from time to time to delegate to Sub-Agent any or all rights and/or obligations of Agent under this Agreement as Agent and Sub-Agent may agree. Notwithstanding the foregoing, Agent and Sub-Agent shall be jointly liable with respect to all obligations of Agent or Sub-Agent under this Agreement.

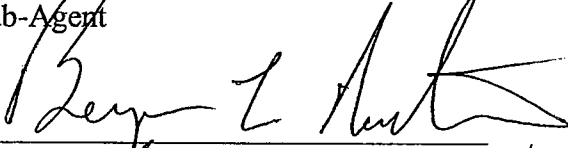
[REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURES FOLLOW]

IN WITNESS WHEREOF, Agent, Sub-Agent and Merchant hereby execute this Agency Agreement as of the day and year first written above.

GRAND HOME HOLDINGS INC.,
As Agent

By: 
Name: HEATHER ELLIOTT
Title: PRESIDENT

HILCO MERCHANT RESOURCES, LLC,
As Sub-Agent

By: 
Name: BENJAMIN L. NORMAN
Title: Executive Vice President & Principal

BARBEQUES GALORE, INC.,
As Merchant

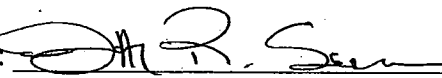
By: 
Name: JEFFERY R. SEALS
Title: CEO

EXHIBIT 1A

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Barbeques Galore

Store List

Store #	Name	Address	City	State	Zip	Phone	Average 5,183 Sq Feet
126	ESCONDIDO	1286 B. Auto Parkway	Escondido	CA	92029	(760) 480-1650	5,635
128	UPLAND	324 S. Mountain Ave.	Upland	CA	91,786	(909) 985-1522	5,000
132	LAS VEGAS I	2580 S. Decatur Blvd.	Las Vegas	NV	89,102	(702) 367-2260	4,000
137	SCOTTSDALE	Pacilions 9010 E. Indian Bend, Suite 2	Scottsdale	AZ	85,250	(480) 596-8631	3,500
140	CORONA	390 McKinley, Ste. 108	Corona	CA	92,879	(951) 549-9901	4,275
142	PLANO	f 1801 Preston Rd., Suite A	Plano	TX	75,093	(972) 735-8185	4,604
145	ARROWHEAD	Arrowhead 7635 W. Bell Road, Suite 101	Peoria	AZ	85,382	(623) 412-4945	5,000
147	WESTHEIMER	6429 Westheimer	Houston	TX	77,057	(713) 953-7030	5,159
152	SAN ANTONIO I	327 NW Loop 410, Suite 101	San Antonio	TX	78,216	(210) 375-2070	5,238
153	VALENCIA	25550 N. The Old Rd.	Stevenson Ranch	CA	91,381	(661) 284-6880	4,802
156	CHAMPIONS	4765 FM 1960 West, Ste. H	Houston	TX	77,069	(281) 880-9291	5,000
159	ROSEVILLE	6756 Stanford Ranch Rd., Suite 1	Roseville	CA	95,678	(916) 781-9022	5,000
161	STERLING	46301 Potomac Run Plaza #190	Sterling	VA	20,164	(703) 421-8950	5,904
162	FAIRFAX	12219-21 Fair Lake Promenade Dr.	Fairfax	VA	22,033	(703) 278-0024	5,417
164	CARY	111 Crossroads Blvd.	Cary	NC	27,518	(919) 852-1126	5,000
167	SPRINGFIELD	6699-G Frontier Drive	Springfield	VA	22,150	(703) 719-6889	4,500
169	SAN ANTONIO II	11075 Interstate 10 West, Suite 304	San Antonio	TX	78,230	(210) 691-5002	4,498
172	COLUMBIA	6131 Columbia Crossing Cr #T-2	Columbia	MD	21,045	(410) 312-0150	5,089
173	GAITHERSBURG	178 Kentlands Blvd.	Gaithersburg	MD	20,878	(240) 631-2700	5,000
174	ARBOR/CHARLOTTE	8046 Providence Road	Charlotte	NC	28,277	(704) 544-0788	4,950
176	DUBLIN	Ha 4978 Dublin Blvd., Suite A	Dublin	CA	94,568	(925) 556-0678	4,500
182	LA MESA	5300 Jackson Drive, Suite A	La Mesa	CA	91,942	(619) 698-9102	5,325
186	LAS VEGAS II	9815 S. Eastern Avenue	Las Vegas	NV	89,183	(702) 407-7000	6,500
188	FRESNO	7723 N. Blackstone Avenue Suite 101	Fresno	CA	93,720	(559) 438-6383	4,500
190	ALMADEN	5353 Almaden Expressway Suite E37	San Jose	CA	95,118	(408) 264-0420	6,000
191	ELK GROVE	9158 West Stockton Blvd.	Elk Grove	CA	95,758	(916) 691-5700	5,000
195	WESTLAKE VILLAGE	30895 Thousand Oaks Blvd.	Westlake Village	CA	91,362	(818) 706-3046	7,008
196	FOLSOM	2405 Iron Point Rd., Ste. 100	Folsom	CA	95,630	(916) 817-2861	5,000
197	ATLANTA I	6550 Roswell Rd.	Atlanta	GA	30,328	(404) 255-2665	4,500
198	ATLANTA II	3885 Venture Dr. NW	Duluth	GA	30,096	(770) 814-2665	5,000
200	TEMECULA	26490 Ynez Rd # F	Temecula	CA	92,591	951-506-9294	5,659
201	ALPHARETTA	5530 Windward Pkwy, Ste E 400	Alpharetta	GA	30,004	(678) 459-1950	6,400
202	CENTENNIAL (N)	5750 Centennial Center Blvd.	Las Vegas	NV	89,149	(702) 982-6580	6,000
206	SIMI VALLEY (N)	1555 Simi Town Center Way #H3	Simi Valley	CA	93,065	(805) 526-1592	5,506
207	CHANDLER EAST (N)	2640 E. Germann Rd., Suite #1	Chandler	AZ	85,249	(480) 722-1062	6,000
208	LA QUINTA (N)	78900 Highway 111	La Quinta	CA	92,253	(760) 399-9476	5,000
209	RANCHO CUCAMONGA (N)	8048 Monet Ave	Rancho Cucamonga	CA	91,739	(909) 803-5976	5,597
210	VACAVILLE (N)	1641 East Monte Vista Ave. # D	Vacaville	CA	95,688	(707) 455-8314	4,283
211	4S Ranch (N)	10455 Reserve Drive # 152	San Diego	CA	92,127	(858) 674-7399	6,000

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EXHIBIT 4.1(a)

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Store	Per Diem	Base Rent	CAM	Taxes, Waste,		Real Estate	Utilities	Percent Rent	Break Even
				Other	Tax				
10126	619.98	432.03	119.84	9.81	4.38	53.92	0.0%	-	
10128	425.52	277.78	81.21	-	6.74	59.79	0.0%	-	
10132	464.02	346.09	48.47	15.23	1.51	52.72	5.0%	2,492,000	
10137	466.5	314.64	94.65	0	1.55	55.66	0	0	
10140	439.76	325.63	63.32	-	1.69	49.12	0.0%	-	
10142	481.85	383.67	75.00	-	-	23.18	5.0%	3,000,000	
10145	513.22	369.72	69.88	-	0.53	73.09	4.0%	3,275,000	
10147	406.52	279.45	94.30	11.20	-	21.57	0.0%	-	
10152	572.42	368.11	120.17	-	-	84.14	0.0%	-	
10153	686.25	550.00	99.95	-	2.43	33.87	0.0%	-	
10156	516.96	383.67	52.61	-	-	80.68	0.0%	-	
10159	958.87	443.92	80.37	384.22	1.59	48.77	0.0%	-	
10161	490.61	337.35	56.71	-	1.16	95.39	0.0%	-	
10162	564.28	413.80	83.36	-	-	67.12	0.0%	-	
10164	412.87	277.78	88.43	1.99	0.62	44.05	0.0%	-	
10167	580.42	431.26	75.18	(0.17)	-	74.15	0.0%	-	
10169	542.80	344.85	126.14	-	-	71.81	0.0%	-	
10172	458.97	325.13	64.19	-	9.61	60.04	5.0%	2,340,000	
10173	500.22	345.83	46.11	-	6.84	101.44	0.0%	-	
10174	365.53	246.46	73.89	-	0.39	44.79	0.0%	-	
10176	621.93	433.33	128.80	-	2.93	56.87	4.0%	3,900,000	
10182	558.83	423.34	60.42	-	3.49	71.58	0.0%	-	
10186	796.10	527.86	169.62	-	25.85	72.77	0.0%	-	
10188	601.94	411.69	118.95	16.63	5.85	48.82	0.0%	-	
10190	715.63	494.50	98.00	16.00	5.98	101.15	0.0%	-	
10191	587.74	423.50	59.41	-	5.06	99.77	0.0%	-	
10195	1,000.52	649.29	265.44	-	12.43	73.36	0.0%	-	
10196	612.97	416.67	143.21	-	3.15	49.94	0.0%	-	
10197	373.65	290.33	14.83	-	0.43	68.06	0.0%	-	
10198	429.57	298.61	36.24	11.64	0.24	82.84	6.0%	2,000,000	
10200	665.84	471.60	126.06	-	11.64	56.54	0.0%	-	
10201	460.15	312.37	83.78	-	0.36	63.64	0.0%	-	
10202	687.56	500.00	88.00	-	1.80	97.76	0.0%	-	
10206	808.19	600.70	151.86	-	-	55.63	0.0%	-	
10207	694.06	533.33	98.22	-	-	62.51	0.0%	-	
10208	370.26	274.67	20.84	20.84	-	53.91	0.0%	-	
10209	800.31	569.03	158.85	-	-	72.43	0.0%	-	
10210	558.07	380.71	103.97	3.62	-	69.77	0.0%	-	
10211	673.69	466.67	111.50	-	-	95.52	0.0%	-	

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EXHIBIT 4.2(b)

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[NAME OF ISSUING BANK]

[ADDRESS]

Date:

Irrevocable Standby Letter of Credit Number: _____

BENEFICIARY:

[Merchant.]

Credit Number:

Opener's Reference No:

Gentlemen:

BY ORDER OF: [Agent]

We hereby open in your favor our Irrevocable Standby Letter of Credit for the account of _____ for a sum or sums not exceeding a total of \$ _____ U.S. Dollars (_____) available by your draft(s) at SIGHT at OURSELVES effective immediately and expiring at OUR COUNTERS on _____, 2008, or such earlier date on which the beneficiary shall notify us in writing that this Standby Letter of Credit shall be terminated accompanied by the original Letter of Credit (the "Expiry Date").

Draft(s) must be accompanied by a signed statement in the form attached as Exhibit A, and the original Letter of Credit. The amount available to be drawn by you may be reduced from time to time by _____ ("Merchant") by delivering to us a signed statement in the form attached as Exhibit B.

Partial and/or multiple drawings are permitted.

Each draft must bear upon its fact the clause "Drawn under Letter of Credit No. _____ dated _____ 2008 of [NAME AND ADDRESS OF ISSUING BANK]."

Except so far as otherwise expressly stated herein, this Letter of Credit is subject to the "Uniform Customs and Practices for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500".

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Exhibit 3.4 (Form) Letter of Credit

We hereby agree that drafts drawn under an in compliance with the terms of this letter of credit will be duly honored if presented to the above mentioned drawee bank on or before the Expiry Date.

Kindly address all correspondence regarding this letter of credit to the attention of our Letter of Credit Operations, [ADDRESS OF L/C DEPARTMENT OF ISSUING BANK] attention _____, mention our reference number as it appears above. Telephone inquiries can be made to _____ at _____.

Very truly yours,

Authorized official

EXHIBIT A

TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

Re: Drawing for Amounts Due to:

[Merchant]

Ladies and Gentlemen:

I refer to your Letter of Credit No. _____ (the "Letter of Credit"). The undersigned, a duly authorized officer of Merchant., as beneficiary, hereby certifies to you that:

(i) Hilco Merchant Resources, LLC (the "Agent") has not made a payment when due of the Expenses as such term is defined in that certain Agency Agreement dated as of _____ 200_, between _____ (the "Merchant") and the Agent. Merchant has provided Agent with the notice required under the Agency Agreement prior to this draw being made.

(ii) No Event of Default with respect to the Merchant or event which, with the passage of time or lapse of time and notice, will constitute an Event of Default with respect to the Merchant under the Agency Agreement exists.

(v) The amount to be drawn is \$ _____ (the "Amount Owing").

(vi) Payment is hereby demanded in an amount equal to the lesser of (a) the Amount Owing and (b) the amount available on the date hereof to be drawn under the Letter of Credit.

(vii) The Letter of Credit has not expired prior to the delivery of this letter and the accompanying sight draft.

(viii) The payment hereby demanded is requested to be made in immediately available funds upon delivery of this certificate by wire transfer to the following account:

[Bank Name]
[Bank Address]
ABA No: _____
Further Credit to: [Account Title]
Account No.

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Exhibit 3.4 (Form) Letter of Credit

IN WITNESS WHEREOF, I have executed and delivered this certificate as of this date of
_____ 2008.

Very truly yours,

[MERCHANT]

By:

Title:

EXHIBIT B

TO IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

Re: Reduction of Face Amount

[MERCHANT]

Ladies and Gentlemen:

I refer to your Letter of Credit No. _____ (the "Letter of Credit"). The undersigned, a duly authorized officer of (the "Beneficiary") hereby certify to you that the face amount of the Letter of Credit No. _____ hereby shall be reduced from its original face amount to a new face amount of \$ _____.

IN WITNESS WHEREOF, I have executed and delivered this certificate as of this day of _____ 200_.

Very truly yours,

MERCHANT

By:
Title:

EXHIBIT 11.1(c)

Loc #	Location	Account	Cost 8/15/2008	Depreciation 8/15/1008	Net Book Value
Motor Vehicles:					
99010	San Diego Support - Adm	160-100-99010	364,497.50	(364,497.50)	-
99011	San Diego Support-EX	160-100-99011	18,976.08	(18,976.08)	-
99012	San Diego Support - HR	160-100-99012	-	-	-
99013	San Diego Support-Mkt	160-100-99013	-	-	-
99014	San Diego Support-SO	160-100-99014	164,017.00	(129,186.50)	34,830.50
99016	San Diego Support-SP	160-100-99016	-	-	-
99017	San Diego Support-Train	160-100-99017	-	-	-
99018	San Diego Support-MIS	160-100-99018	-	-	-
99019	San Diego Support-Purch	160-100-99019	23,885.00	(23,885.00)	-
99020	San Diego Support-R&D	160-100-99020	-	-	-
99021	San Diego Support-Comm	160-100-99021	-	-	-
99999	San Diego Support	160-100-99999	-	-	-
10001	Ontario Warehouse	160-100-10001	-	-	-
10003	Charlotte Warehouse	160-100-10003	-	-	-
10020	Arlington Warehouse	160-100-10020	-	-	-
10121	Santa Fe Springs	160-100-10121	2,260.00	(2,260.00)	-
10122	Torrance	160-100-10122	-	-	-
10123	Tarzana	160-100-10123	-	-	-
10124	Citrus Heights - closed	160-100-10124	-	-	-
10125	Kearny Mesa	160-100-10125	2,435.00	(2,435.00)	-
10126	Escondido	160-100-10126	-	-	-
10128	Upland	160-100-10128	1,761.00	(1,761.00)	-
10129	Miramar - closed	160-100-10129	-	-	-
10130	Phoenix	160-100-10130	2,471.00	(2,471.00)	-
10131	West Los Angeles	160-100-10131	2,203.00	(2,203.00)	-
10132	Las Vegas	160-100-10132	1,746.00	(1,746.00)	-
10133	32nd St San Diego - closed	160-100-10133	-	-	-
10134	Henderson - closed	160-100-10134	2,420.00	(2,420.00)	-
10137	Scottsdale	160-100-10137	583.00	(583.00)	-
10138	Glendale	160-100-10138	-	-	-
10140	Corona	160-100-10140	-	-	-
10141	Walnut Creek	160-100-10141	775.00	(775.00)	-
10142	Plano	160-100-10142	-	-	-
10143	University Park	160-100-10143	-	-	-
10144	Palo Alto	160-100-10144	725.00	(725.00)	-
10145	Arrowhead	160-100-10145	-	-	-
10146	Arlington - closed	160-100-10146	-	-	-
10147	Westheimer	160-100-10147	-	-	-
10148	Fountains - closed	160-100-10148	(0.20)	0.20	-
10149	Grapevine	160-100-10149	-	-	-
10150	Austin	160-100-10150	-	-	-
10151	Pasadena	160-100-10151	-	-	-
10152	San Antonio	160-100-10152	-	-	-
10153	Valencia	160-100-10153	-	-	-
10154	Encinitas	160-100-10154	650.00	(650.00)	-
10155	Mandarin - closed	160-100-10155	-	-	-
10156	Champions	160-100-10156	2,096.00	(2,096.00)	-
10157	Lewisville	160-100-10157	-	-	-
10158	San Rafael	160-100-10158	3,620.00	(3,620.00)	-
10159	Roseville	160-100-10159	-	-	-
10161	Sterling	160-100-10161	749.00	(749.00)	-
10162	Fairfax	160-100-10162	-	-	-
10163	Whitemarsh - closed	160-100-10163	-	-	-
10164	Cary	160-100-10164	-	-	-
10167	Springfield	160-100-10167	-	-	-
10168	Austin II	160-100-10168	-	-	-
10169	San Antonio II	160-100-10169	-	-	-
10170	Pruneyard	160-100-10170	11,894.00	(11,894.00)	-
10171	Chandler	160-100-10171	-	-	-
10172	Columbia	160-100-10172	-	-	-
10173	Gaithersburg	160-100-10173	780.00	(780.00)	-
19174	Arboretum Joint	160-100-10174	-	-	-
10176	Dublin	160-100-10176	2,570.00	(2,570.00)	-
10177	Fort Worth	160-100-10177	-	-	-
10178	North Phoenix	160-100-10178	-	-	-
10179	Brea	160-100-10179	2,203.00	(2,203.00)	-

Loc.#	Location	Account	Cost 8/15/2008	Depreciation 8/15/2008	Net Book Value
10180	Santa Rosa	160-100-10180	2,570.00	(2,570.00)	-
10181	Studio City	160-100-10181	2,310.00	(2,310.00)	-
10182	La Mesa	160-100-10182	1,820.00	(1,820.00)	-
10184	Coral Springs - closed	160-100-10184	(0.07)	0.07	-
10185	Plantation - closed	160-100-10185	-	-	-
10186	Las Vegas II	160-100-10186	2,535.00	(2,535.00)	-
10187	Frisco/North Dallas	160-100-10187	1,810.00	(1,810.00)	-
10188	Fresno	160-100-10188	2,460.00	(2,460.00)	-
10189	Cupertino - closed	160-100-10189	(0.20)	0.20	-
10190	Almaden	160-100-10190	-	-	-
10191	Elk Grove	160-100-10191	-	-	-
10193	Jacksonville - closed	160-100-10193	-	-	-
10194	Wellington	160-100-10194	-	-	-
10195	West Lake	160-100-10195	-	-	-
10196	Folsom	160-100-10196	-	-	-
10197	Atlanta I	160-100-10197	5,000.00	(5,000.00)	-
10198	Atlanta II	160-100-10198	-	-	-
10199	Norwalk - closed	160-100-10199	-	-	-
10200	Temecula	160-100-10200	-	-	-
10201	Alpharetta	160-100-10201	-	-	-
10202	Centennial	160-100-10202	-	-	-
10203	Scarsdale - closed	160-100-10203	-	-	-
10205	Avondale	160-100-10205	-	-	-
10206	Simi Valley	160-100-10206	-	-	-
10207	Gilbert/Chandler East	160-100-10207	-	-	-
10208	La Quinta	160-100-10208	-	-	-
Total Motor Vehicles			631,821.11	(596,990.61)	34,830.50

** vehicles remain in location 99014 only

Furniture & Fixtures

99010	San Diego Support - Adm	160-200-99010	243,731.66	(243,731.66)	-
99011	San Diego Support-EX	160-200-99011	72,172.27	(62,380.42)	9,791.85
99012	San Diego Support - HR	160-200-99012	4,318.00	(4,318.00)	-
99013	San Diego Support-Mkt	160-200-99013	1,579.34	(1,399.38)	179.97
99014	San Diego Support-SO	160-200-99014	10,834.33	(10,113.08)	721.25
99016	San Diego Support-SP	160-200-99016	33,346.00	(33,346.00)	-
99017	San Diego Support-Train	160-200-99017	811.00	(811.00)	-
99018	San Diego Support-MIS	160-200-99018	6,930.00	(6,335.67)	594.33
99019	San Diego Support-Purch	160-200-99019	14,857.00	(13,613.17)	1,243.83
99020	San Diego Support-R&D	160-200-99020	-	-	-
99021	San Diego Support-Comm	160-200-99021	-	-	-
99999	San Diego Support	160-200-99999	-	-	-
10001	Ontario Warehouse	160-200-10001	0.34	(0.34)	-
10003	Charlotte Warehouse	160-200-10003	-	-	-
10020	Arlington Warehouse	160-200-10020	210,993.94	(199,197.66)	11,796.28
10121	Santa Fe Springs	160-200-10121	100,363.00	(100,363.00)	-
10122	Torrance	160-200-10122	136,938.00	(136,938.00)	-
10123	Tarzana	160-200-10123	137,764.70	(108,965.04)	28,799.66
10124	Citrus Heights - closed	160-200-10124	-	-	-
10125	Kearny Mesa	160-200-10125	132,043.00	(109,757.83)	22,285.17
10126	Escondido	160-200-10126	104,387.60	(103,153.08)	1,234.52
10128	Upland	160-200-10128	108,523.00	(108,523.00)	-
10129	Miramar - closed	160-200-10129	-	-	-
10130	Phoenix	160-200-10130	54,653.48	(53,974.92)	678.56
10131	West Los Angeles	160-200-10131	72,688.00	(70,700.67)	1,987.33
10132	Las Vegas	160-200-10132	109,192.85	(108,090.00)	1,102.85
10133	32nd St San Diego - closed	160-200-10133	-	-	-
10134	Henderson - closed	160-200-10134	-	-	-
10137	Scottsdale	160-200-10137	88,688.28	(88,688.28)	-
10138	Glendale	160-200-10138	62,854.00	(62,578.42)	275.58
10140	Corona	160-200-10140	70,978.00	(70,428.50)	549.50
10141	Walnut Creek	160-200-10141	24,352.00	(21,622.29)	2,729.71
10142	Plano	160-200-10142	143,541.90	(143,541.90)	-
10143	University Park	160-200-10143	71,003.00	(69,350.92)	1,652.08
10144	Palo Alto	160-200-10144	112,990.00	(100,622.38)	12,367.63
10145	Arrowhead	160-200-10145	68,196.80	(67,466.67)	730.13

Loc #	Location	Account	Cost 8/15/2008	Depreciation 8/15/2008	Net Book Value
10146	Arlington - closed	160-200-10146	-	-	-
10147	Westheimer	160-200-10147	79,897.70	(79,897.70)	-
10148	Fountains - closed	160-200-10148	(0.31)	0.31	-
10149	Grapevine	160-200-10149	58,618.10	(58,618.10)	-
10150	Austin	160-200-10150	127,684.98	(127,684.98)	-
10151	Pasadena	160-200-10151	137,130.35	(134,436.00)	2,694.35
10152	San Antonio	160-200-10152	103,185.00	(103,185.00)	-
10153	Valencia	160-200-10153	54,956.34	(54,956.34)	-
10154	Encinitas	160-200-10154	117,719.20	(117,719.20)	-
10155	Mandarin - closed	160-200-10155	-	-	-
10156	Champions	160-200-10156	2,666.00	(2,666.00)	-
10157	Lewisville	160-200-10157	592.63	-	592.63
10158	San Rafael	160-200-10158	93,930.00	(93,930.00)	-
10159	Roseville	160-200-10159	83,121.00	(83,121.00)	-
10161	Sterling	160-200-10161	72,477.00	(72,208.00)	269.00
10162	Fairfax	160-200-10162	65,053.00	(64,802.00)	251.00
10163	Whitemarsh - closed	160-200-10163	75,991.00	(72,191.00)	3,800.00
10164	Cary	160-200-10164	58,497.48	(58,205.25)	292.23
10167	Springfield	160-200-10167	60,897.00	(60,753.92)	143.08
10168	Austin II	160-200-10168	58,529.00	(58,529.00)	-
10169	San Antonio II	160-200-10169	71,575.00	(70,961.92)	613.08
10170	Pruneyard	160-200-10170	133,281.70	(129,273.17)	4,008.53
10171	Chandler	160-200-10171	75,912.00	(74,772.46)	1,139.54
10172	Columbia	160-200-10172	77,714.00	(77,522.38)	191.63
10173	Gaithersburg	160-200-10173	70,904.00	(70,695.04)	208.96
19174	Arboretum Joint	160-200-10174	79,712.00	(79,401.33)	310.67
10176	Dublin	160-200-10176	83,796.00	(83,737.29)	58.71
10177	Fort Worth	160-200-10177	79,429.24	(78,364.00)	1,065.24
10178	North Phoenix	160-200-10178	84,152.00	(82,031.50)	2,120.50
10179	Brea	160-200-10179	85,120.24	(82,808.79)	2,311.45
10180	Santa Rosa	160-200-10180	71,856.00	(71,856.00)	-
10181	Studio City	160-200-10181	75,773.00	(75,426.71)	346.29
10182	La Mesa	160-200-10182	66,025.75	(66,025.75)	-
10184	Coral Springs - closed	160-200-10184	0.37	(0.37)	-
10185	Plantation - closed	160-200-10185	-	-	-
10186	Las Vegas II	160-200-10186	73,733.00	(73,733.00)	-
10187	Frisco/North Dallas	160-200-10187	87,519.00	(86,543.42)	975.58
10188	Fresno	160-200-10188	65,987.00	(65,987.00)	-
10189	Cupertino - closed	160-200-10189	0.44	-	0.44
10190	Almaden	160-200-10190	64,271.00	(62,712.58)	1,558.42
10191	Elk Grove	160-200-10191	63,497.00	(62,876.46)	620.54
10193	Jacksonville - closed	160-200-10193	-	-	-
10194	Wellington	160-200-10194	-	-	-
10195	West Lake	160-200-10195	65,539.36	(36,438.92)	29,100.44
10196	Folsom	160-200-10196	77,175.00	(33,533.88)	43,641.13
10197	Atlanta I	160-200-10197	49,589.00	(38,128.83)	11,460.17
10198	Atlanta II	160-200-10198	14,250.82	(14,250.82)	-
10199	Norwalk - closed	160-200-10199	-	-	-
10200	Temecula	160-200-10200	83,043.00	(36,083.79)	46,959.21
10201	Alpharetta	160-200-10201	82,211.59	(35,572.79)	46,638.80
10202	Centennial	160-200-10202	58,343.00	(6,424.13)	51,918.88
10203	Scarsdale - closed	160-200-10203	-	-	-
10205	Avondale	160-200-10205	72,383.00	(19,923.88)	52,459.13
10206	Simi Valley	160-200-10206	65,848.00	(24,514.21)	41,333.79
10207	Gilbert/Chandler East	160-200-10207	63,910.00	(7,037.71)	56,872.29
10208	La Quinta	160-200-10208	66,264.00	(19,765.00)	46,499.00
10209	Rancho Cucamonga	160-200-10209	45,243.00	(4,982.67)	40,260.33
10210	Vacaville	160-200-10210	51,443.00	(5,665.63)	45,777.38
10211	4S Ranch	160-200-10211	118,628.50	(13,003.96)	105,624.54
Total Furniture & Fixtures			5,773,806.97	(5,032,969.79)	740,837.18

Machinery & Equipment:

99010	San Diego Support - Adm	160-400-99010	110,387.00	(94,333.54)	16,053.46
99011	San Diego Support-EX	160-400-99011	16,900.25	(16,900.25)	-
99012	San Diego Support - HR	160-400-99012	73,216.94	(54,400.17)	18,816.77
99013	San Diego Support-Mkt	160-400-99013	28,266.00	(26,812.00)	1,454.00

Loc #	Location	Account	Cost 8/15/2008	Depreciation 8/15/2008	Net Book Value
99014	San Diego Support-SO	160-400-99014	9,159.00	(9,084.63)	74.38
99016	San Diego Support-SP	160-400-99016	25,105.00	(17,050.08)	8,054.92
99017	San Diego Support-Train	160-400-99017	6,870.00	(6,091.00)	779.00
99018	San Diego Support-MIS	160-400-99018	2,073,364.74	(1,191,359.00)	882,005.74
99019	San Diego Support-Purch	160-400-99019	25,963.00	(25,860.00)	103.00
99020	San Diego Support-R&D	160-400-99020	6,585.57	(6,304.08)	281.49
99021	San Diego Support-Comm	160-400-99021	-	-	-
99999	San Diego Support	160-400-99999	4,293.00	-	4,293.00
10001	Ontario Warehouse	160-400-10001	-	-	-
10003	Charlotte Warehouse	160-400-10003	-	-	-
10020	Arlington Warehouse	160-400-10020	206,241.00	(178,792.08)	27,448.92
10121	Santa Fe Springs	160-400-10121	22,279.00	(20,442.79)	1,836.21
10122	Torrance	160-400-10122	43,145.00	(41,415.63)	1,729.38
10123	Tarzana	160-400-10123	34,648.00	(29,267.54)	5,380.46
10124	Citrus Heights - closed	160-400-10124	-	-	-
10125	Kearny Mesa	160-400-10125	20,023.00	(17,531.71)	2,491.29
10126	Escondido	160-400-10126	18,423.00	(16,592.79)	1,830.21
10128	Upland	160-400-10128	33,994.00	(32,165.79)	1,828.21
10129	Miramar - closed	160-400-10129	2,527.00	(2,527.00)	-
10130	Phoenix	160-400-10130	18,529.00	(16,746.00)	1,783.00
10131	West Los Angeles	160-400-10131	28,639.00	(25,073.08)	3,565.92
10132	Las Vegas	160-400-10132	18,275.00	(16,047.00)	2,228.00
10133	32nd St San Diego - closed	160-400-10133	-	-	-
10134	Henderson - closed	160-400-10134	30,464.00	(28,634.33)	1,829.67
10137	Scottsdale	160-400-10137	22,117.00	(18,553.63)	3,563.38
10138	Glendale	160-400-10138	14,944.00	(11,405.46)	3,538.54
10140	Corona	160-400-10140	15,444.15	(13,220.00)	2,224.15
10141	Walnut Creek	160-400-10141	29,306.00	(27,418.04)	1,887.96
10142	Plano	160-400-10142	36,925.00	(35,051.21)	1,873.79
10143	University Park	160-400-10143	18,555.00	(14,778.13)	3,776.88
10144	Palo Alto	160-400-10144	13,293.00	(9,752.46)	3,540.54
10145	Arrowhead	160-400-10145	19,884.00	(16,427.04)	3,456.96
10146	Arlington - closed	160-400-10146	-	-	-
10147	Westheimer	160-400-10147	22,042.00	(17,066.63)	4,975.38
10148	Fountains - closed	160-400-10148	-	-	-
10149	Grapevine	160-400-10149	14,698.00	(12,803.13)	1,894.88
10150	Austin	160-400-10150	18,662.00	(14,989.13)	3,672.88
10151	Pasadena	160-400-10151	23,911.00	(18,414.13)	5,496.88
10152	San Antonio	160-400-10152	27,659.00	(25,729.29)	1,929.71
10153	Valencia	160-400-10153	20,433.00	(17,457.63)	2,975.38
10154	Encinitas	160-400-10154	21,626.17	(19,022.00)	2,604.17
10155	Mandarin - closed	160-400-10155	-	-	-
10156	Champions	160-400-10156	9,108.00	(5,937.00)	3,171.00
10157	Lewisville	160-400-10157	(53.00)	53.00	-
10158	San Rafael	160-400-10158	17,760.00	(15,923.33)	1,836.67
10159	Roseville	160-400-10159	11,471.00	(7,921.38)	3,549.63
10161	Sterling	160-400-10161	17,665.00	(15,894.00)	1,771.00
10162	Fairfax	160-400-10162	16,859.00	(15,088.00)	1,771.00
10163	Whitemarsh - closed	160-400-10163	18,498.00	(14,855.42)	3,642.58
10164	Cary	160-400-10164	18,867.82	(14,617.00)	4,250.82
10167	Springfield	160-400-10167	22,846.00	(21,081.42)	1,764.58
10168	Austin II	160-400-10168	17,619.00	(15,681.29)	1,937.71
10169	San Antonio II	160-400-10169	13,414.00	(11,518.67)	1,895.33
10170	Pruneyard	160-400-10170	24,300.00	(22,462.33)	1,837.67
10171	Chandler	160-400-10171	17,813.00	(16,030.00)	1,783.00
10172	Columbia	160-400-10172	20,840.00	(19,070.00)	1,770.00
10173	Gaithersburg	160-400-10173	15,377.00	(13,604.92)	1,772.08
19174	Arboretum Joint	160-400-10174	21,718.00	(19,906.71)	1,811.29
10176	Dublin	160-400-10176	24,203.00	(22,355.33)	1,847.67
10177	Fort Worth	160-400-10177	20,678.00	(18,782.13)	1,895.88
10178	North Phoenix	160-400-10178	31,543.00	(25,832.63)	5,710.38
10179	Brea	160-400-10179	17,744.00	(15,916.25)	1,827.75
10180	Santa Rosa	160-400-10180	15,038.00	(13,231.46)	1,806.54
10181	Studio City	160-400-10181	23,708.00	(20,168.46)	3,539.54
10182	La Mesa	160-400-10182	17,048.00	(15,220.33)	1,827.67
10184	Coral Springs - closed	160-400-10184	-	-	-
10185	Plantation - closed	160-400-10185	15,397.00	(13,559.79)	1,837.21

Loc #	Location	Account	Cost 8/15/2008	Depreciation 8/15/2008	Net Book Value
10186	Las Vegas II	160-400-10186	8,539.00	(3,312.04)	5,226.96
10187	Frisco/North Dallas	160-400-10187	15,941.00	(14,044.58)	1,896.42
10188	Fresno	160-400-10188	23,215.80	(20,986.00)	2,229.80
10189	Cupertino - closed	160-400-10189	-	-	-
10190	Almaden	160-400-10190	14,084.00	(12,248.42)	1,835.58
10191	Elk Grove	160-400-10191	16,288.36	(14,049.46)	2,238.90
10193	Jacksonville - closed	160-400-10193	20,234.82	(16,719.29)	3,515.53
10194	Wellington	160-400-10194	18,024.00	(18,024.00)	-
10195	West Lake	160-400-10195	14,332.00	(10,166.58)	4,165.42
10196	Folsom	160-400-10196	7,889.00	(3,820.38)	4,068.63
10197	Atlanta I	160-400-10197	10,020.00	(6,664.58)	3,355.42
10198	Atlanta II	160-400-10198	7,506.00	(4,713.08)	2,792.92
10199	Norwalk - closed	160-400-10199	7,847.00	(4,773.42)	3,073.58
10200	Temecula	160-400-10200	13,887.00	(8,480.17)	5,406.83
10201	Alpharetta	160-400-10201	17,803.00	(9,863.13)	7,939.88
10202	Centennial	160-400-10202	15,532.00	(2,403.46)	13,128.54
10203	Scarsdale - closed	160-400-10203	6,896.00	(4,196.50)	2,699.50
10205	Avondale	160-400-10205	9,464.00	(3,334.25)	6,129.75
10206	Simi Valley	160-400-10206	10,343.00	(3,336.75)	7,006.25
10207	Gilbert/Chandler East	160-400-10207	17,504.00	(2,707.17)	14,796.83
10208	La Quinta	160-400-10208	9,582.00	(1,484.63)	8,097.38
10209	Rancho Cucamonga	160-400-10209	11,520.00	(1,783.71)	9,736.29
10210	Vacaville	160-400-10210	16,281.00	(2,517.54)	13,763.46
10211	4S Ranch	160-400-10211	15,812.59	(1,729.75)	14,082.84
Total Machinery & Equipment			3,914,804.21	(2,691,482.08)	1,223,322.13

Office Equipment:

99010	San Diego Support - Adm	160-500-99010	867,158.80	(859,465.29)	7,693.51
99011	San Diego Support-EX	160-500-99011	3,840.00	(3,840.00)	-
99012	San Diego Support - HR	160-500-99012	20,399.00	(20,399.00)	-
99013	San Diego Support-Mkt	160-500-99013	5,755.00	(4,606.63)	1,148.38
99014	San Diego Support-SO	160-500-99014	20,227.00	(18,776.00)	1,451.00
99016	San Diego Support-SP	160-500-99016	14,840.00	(14,840.00)	-
99017	San Diego Support-Train	160-500-99017	2,459.00	(2,459.00)	-
99018	San Diego Support-MIS	160-500-99018	665,230.00	(663,884.88)	1,345.13
99019	San Diego Support-Purch	160-500-99019	31,426.00	(31,426.00)	-
99020	San Diego Support-R&D	160-500-99020	-	-	-
99021	San Diego Support-Comm	160-500-99021	-	-	-
99999	San Diego Support	160-500-99999	-	-	-
10001	Ontario Warehouse	160-500-10001	-	-	-
10003	Charlotte Warehouse	160-500-10003	-	-	-
10020	Arlington Warehouse	160-500-10020	-	-	-
10121	Santa Fe Springs	160-500-10121	-	-	-
10122	Torrance	160-500-10122	-	-	-
10123	Tarzana	160-500-10123	-	-	-
10124	Citrus Heights - closed	160-500-10124	-	-	-
10125	Kearny Mesa	160-500-10125	-	-	-
10126	Escondido	160-500-10126	-	-	-
10128	Upland	160-500-10128	-	-	-
10129	Miramar - closed	160-500-10129	-	-	-
10130	Phoenix	160-500-10130	-	-	-
10131	West Los Angeles	160-500-10131	-	-	-
10132	Las Vegas	160-500-10132	-	-	-
10133	32nd St San Diego - closed	160-500-10133	-	-	-
10134	Henderson - closed	160-500-10134	-	-	-
10137	Scottsdale	160-500-10137	-	-	-
10138	Glendale	160-500-10138	-	-	-
10140	Corona	160-500-10140	-	-	-
10141	Walnut Creek	160-500-10141	-	-	-
10142	Plano	160-500-10142	-	-	-
10143	University Park	160-500-10143	-	-	-
10144	Palo Alto	160-500-10144	-	-	-
10145	Arrowhead	160-500-10145	-	-	-
10146	Arlington - closed	160-500-10146	-	-	-
10147	Westheimer	160-500-10147	-	-	-
10148	Fountains - closed	160-500-10148	-	-	-
10149	Grapevine	160-500-10149	-	-	-

Loc #	Location	Account	Cost 8/15/2008	Depreciation 8/15/2008	Net Book Value
10150	Austin	160-500-10150	-	-	-
10151	Pasadena	160-500-10151	-	-	-
10152	San Antonio	160-500-10152	-	-	-
10153	Valencia	160-500-10153	-	-	-
10154	Encinitas	160-500-10154	-	-	-
10155	Mandarin - closed	160-500-10155	-	-	-
10156	Champions	160-500-10156	-	-	-
10157	Lewisville	160-500-10157	-	-	-
10158	San Rafael	160-500-10158	-	-	-
10159	Roseville	160-500-10159	-	-	-
10161	Sterling	160-500-10161	-	-	-
10162	Fairfax	160-500-10162	-	-	-
10163	Whitemarsh - closed	160-500-10163	-	-	-
10164	Cary	160-500-10164	-	-	-
10167	Springfield	160-500-10167	-	-	-
10168	Austin II	160-500-10168	-	-	-
10169	San Antonio II	160-500-10169	-	-	-
10170	Pruneyard	160-500-10170	-	-	-
10171	Chandler	160-500-10171	-	-	-
10172	Columbia	160-500-10172	-	-	-
10173	Gaithersburg	160-500-10173	-	-	-
19174	Arboretum Joint	160-500-10174	-	-	-
10176	Dublin	160-500-10176	-	-	-
10177	Fort Worth	160-500-10177	-	-	-
10178	North Phoenix	160-500-10178	-	-	-
10179	Brea	160-500-10179	-	-	-
10180	Santa Rosa	160-500-10180	-	-	-
10181	Studio City	160-500-10181	-	-	-
10182	La Mesa	160-500-10182	-	-	-
10184	Coral Springs - closed	160-500-10184	-	-	-
10185	Plantation - closed	160-500-10185	-	-	-
10186	Las Vegas II	160-500-10186	-	-	-
10187	Frisco/North Dallas	160-500-10187	-	-	-
10188	Fresno	160-500-10188	-	-	-
10189	Cupertino - closed	160-500-10189	-	-	-
10190	Almaden	160-500-10190	-	-	-
10191	Elk Grove	160-500-10191	-	-	-
10193	Jacksonville - closed	160-500-10193	-	-	-
10194	Wellington	160-500-10194	-	-	-
10195	West Lake	160-500-10195	-	-	-
10196	Folsom	160-500-10196	-	-	-
10197	Atlanta I	160-500-10197	-	-	-
10198	Atlanta II	160-500-10198	-	-	-
10199	Norwalk - closed	160-500-10199	-	-	-
10200	Temecula	160-500-10200	-	-	-
10201	Alpharetta	160-500-10201	-	-	-
10202	Centennial	160-500-10202	-	-	-
10203	Scarsdale - closed	160-500-10203	-	-	-
10205	Avondale	160-500-10205	-	-	-
10206	Simi Valley	160-500-10206	-	-	-
10207	Gilbert/Chandler East	160-500-10207	-	-	-
10208	La Quinta	160-500-10208	-	-	-
10209	Rancho Cucamonga	160-500-10209	-	-	-
10210	Vacaville	160-500-10210	-	-	-
10211	4S Ranch	160-500-10211	-	-	-
Total Office Equipment			1,631,334.80	(1,619,696.79)	11,638.01
Grand Total FF&E			1,951,767.09	(9,941,139.28)	2,010,627.82

Exhibit E

Trademark Assignment Agreement

[See Attached]

TRADEMARK ASSIGNMENT

THIS TRADEMARK ASSIGNMENT ("*Assignment*") is made effective as of September __, 2008 from BARBEQUES GALORE, INC., a California corporation ("*Assignor*"), to GRAND HOME HOLDINGS INC., a Delaware corporation ("*Assignee*");

WHEREAS, Assignor is the owner of the trademarks listed in Exhibit "A" (the "*Marks*") registered in the United States Patent and Trademark Office, together with the goodwill of the business symbolized thereby in connection with the goods on which the Marks are used (the "*Products*").

WHEREAS, Assignor desires to convey, transfer, assign, deliver, and contribute to Assignee all of its right, title, and interest in and to the Marks.

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

1. Transfer of Trademarks. Assignor hereby conveys, transfers, assigns, delivers, and contributes to Assignee all of Assignor's right, title, and interest of whatever kind in and to the Marks, together with a) the goodwill of the business relating to the Products in respect upon which the Marks are used and for which the Marks are registered; b) all income, royalties, and damages hereafter due or payable to Assignor with respect to the Marks, including without limitation, damages, and payments for past or future infringements and misappropriations of the Marks; and c) all rights to sue for past, present and future infringements or misappropriations of the Marks.

Assignor further covenants that it will execute all documents, papers, forms and authorizations and take all other actions that may be necessary for securing, completing, or vesting in Assignee full right, title, and interest in the Marks.

2. Registration Fees. The registration for the change of the registered owner of the Marks shall be undertaken by the Assignor, and the Assignor shall bear the registration fees incurred hereby.

3. Representations and Warranties.

a. The Assignor hereby represents and warrants as follows:

- i. The Assignor is a California corporation duly registered and validly existing under the laws of the State of California.
- ii. The Assignor has the exclusive ownership of the Marks and no rights or equity of any third party is prejudiced due to the using of the Marks. There is no litigation or any other disputes arising from or relating to the Marks.

- iii. The Assignor, subject to its business scope and corporate power, has obtained full authority and all consents and approvals of any other third party and government necessary to execute and perform this Assignment, which shall not be against any enforceable and effective laws or contracts.
 - iv. Once this Assignment has been duly executed by both parties, it will constitute a legal, valid and binding agreement of the Assignor enforceable against it in accordance with its terms upon its execution.
 - v. The Assignor will not engage in any action that will be detrimental to the validity of the Marks after the completion of this Assignment.
- b. The Assignee hereby represents and warrants as follows:
- i. The Assignee is a Delaware Corporation duly registered and validly existing under the laws of the State of Delaware.
 - ii. The Assignee, subject to its business scope and corporate power, has taken necessary steps and obtained full authority and all consents and approvals of any other third party and governmental necessary to execute and perform this Assignment, which shall not be against any enforceable and effective laws or contracts.
 - iii. Once this Assignment has been duly executed by both parties, it will constitute a legal, valid and binding agreement of the Assignee enforceable against it in accordance with its terms.

4. Effective Date and Term. This Assignment has been duly executed by authorized representatives of both parties as of the date first set forth above and shall be effective simultaneously.

5. Dispute Resolution. Any controversy or claim arising out of or relating to this Assignment or the breach thereof shall be settled by arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator shall be binding and may be entered in any court having jurisdiction thereof. Such arbitration shall be filed and conducted at the office of the AAA closest to the Company's head office where this Agreement was signed, and shall be

conducted in English by one arbitrator mutually acceptable to the parties selected in accordance with AAA Rules.

6. Applicable Law. The validity, interpretation and implementation of this Assignment shall be governed by the laws of the State of California.

7. Amendment and Supplement. Any amendment and supplement of this Assignment shall come into force only after a written agreement is signed by both parties. The amendment and supplement duly executed by both parties shall be part of this Assignment and shall have the same legal effect as this Assignment.

8. Severability. Any provision of this Assignment which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that any other provision of this Assignment invalid or unenforceable in any other jurisdiction.

9. Construction. The parties have participated jointly in the negotiation and drafting of this Assignment. In the event an ambiguity or question of intent or interpretation arises, this Assignment shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Assignment.

10. Voluntary Execution of Assignment. This Assignment is executed voluntarily and without any duress or undue influence on the part of or on behalf of any of the parties hereto, with the full intent of releasing all claims. The parties acknowledge that:

- a. They have read this Assignment;
- b. They have been represented in the preparation, negotiation, and execution of this Assignment by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;
- c. They understand the terms and consequences of this Assignment and of the releases it contains; and
- d. They are fully aware of the legal and binding effect of this Assignment.

11. Fees and Costs. Each Party shall be responsible for its own costs, attorneys' fees, and all other expenses in connection with the matters referred to in this Assignment, except as otherwise set forth herein. In the event of a breach of any term or provision of this Assignment, and/or the filing of a legal or arbitration proceeding in connection with the enforcement or interpretation of any provision of this Assignment, the prevailing party shall, in addition to any other remedies available to such Party, be entitled to reasonable attorneys' fees and costs, including reasonable expert witness fees and costs, from the losing party.

12. Counterpart. This Assignment may be signed by the parties in counterpart as if executed in a single unitary document.


IN WITNESS THEREOF, the parties hereto have caused this Assignment to be duly executed on their behalf by a duly authorized representative as of the date first set forth above.

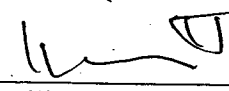
"Assignor"

"Assignee"

BARBEQUES GALORE, INC.

GRAND HOME HOLDINGS INC.

By: 
Jeffery Sears
Its: Chief Executive Officer

By: 
Heather Elliott
Its: President

ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

)
) ss.
)

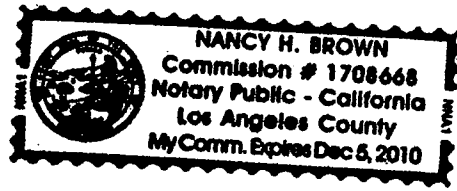
On September 12, 2008, before me, Nancy H. Brown, Notary Public,
Date Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared Jeffrey Sears
Name of Signer

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Nancy H. Brown
Signature of Notary Public



ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

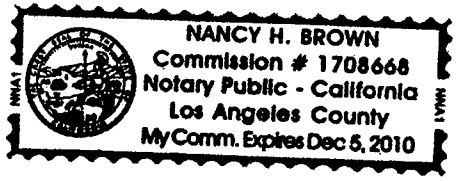
On September 12, 2008, before me, Nancy H. Brown, Notary Public,
Date Name and Title of Officer (e.g. "Jane Doe, Notary Public")

personally appeared Heather Elliott
Name of Signer

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Nancy H. Brown
Signature of Notary Public



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EXHIBIT "A"

REGISTERED TRADEMARKS

<u>No.</u>	<u>Serial #</u>	<u>Trademark</u>	<u>Status</u>
1.	78100188	ENDEAVOR	REGISTERED
2.	78032305	MAXIHEAT	REGISTERED
3.	78038280	BEEFMASTER	REGISTERED
4.	78200551	GRAND TURBO	REGISTERED
5.	75332496	(DESIGN ONLY)	REGISTERED
6.	73675521	B.B.Q.'S GALORE	REGISTERED
7.	73259068	BARBEQUES GALORE	REGISTERED
8.	78203111	TURBO SELECT	REGISTERED
9.	78366373	TURBO MAXI COOL (and design)	REGISTERED
10.	78292781	TURBO STS	REGISTERED
11.	78519338	CHALLENGER	REGISTERED
12.	78805468	STRADA	REGISTERED
13.	78738058	GRAND ENDEAVOR	REGISTERED
14.	78738055	COMPLETE KITCHEN	REGISTERED
15.	78456792	TURBO SEAR	PENDING APPLICATION

Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31, and 34

United States Patent and Trademark Office

Reg. No. 2,799,163
Registered Dec. 23, 2003

**TRADEMARK
PRINCIPAL REGISTER**

ENDEAVOR

BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
15041 BAKE PARKWAY, SUITE A
IRVINE, CA 92618

FIRST USE 6-30-2002; IN COMMERCE 6-30-2002.

SN 78-100,188, FILED 12-28-2001.

FOR: BARBECUE GRILLS, IN CLASS 11 (U.S. CLS.
13, 21, 23, 31 AND 34).

TARAH HARDY, EXAMINING ATTORNEY

Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31, and 34

United States Patent and Trademark Office

Reg. No. 2,760,209

Registered Sep. 2, 2003

**TRADEMARK
PRINCIPAL REGISTER**

MAXIHEAT

BARBEQUES GALORE INC. (CALIFORNIA COR-
PORATION)
15041 BAKE PARKEWAY SUITE A
IRVINE, CA 92618

FOR: PATIO HEATERS, NAMELY, PORTABLE
PROPANE AND NATURAL GAS PATIO HEATERS,
ELECTRIC PATIO HEATERS, AND CHARCOAL

AND WOOD BURNING PATIO HEATERS, IN
CLASS 11 (U.S. CLS. 13, 21, 23, 31 AND 34).

FIRST USE 6-30-2001; IN COMMERCE 7-31-2001.

SN 78-032,305, FILED 10-25-2000.

JOHN GARTNER, EXAMINING ATTORNEY

146

Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31, and 34

United States Patent and Trademark Office

Reg. No. 2,722,558

Registered June 3, 2003

**TRADEMARK
PRINCIPAL REGISTER**

BEEFMASTER

BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
15041 BAKE PARKWAY
SUITE A
IRVINE, CA 92618

FIRST USE 12-31-2000; IN COMMERCE 12-31-2000.

SN 78-038,280, FILED 12-7-2000.

FOR: BARBECUE GRILLS, IN CLASS 11 (U.S. CLS.
13, 21, 23, 31 AND 34).

CIMMERIAN COLEMAN, EXAMINING ATTOR-
NEY

147
TRADEMARK

REEL: 004433 FRAME: 0166

Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31 and 34

United States Patent and Trademark Office

Reg. No. 2,829,984

Registered Apr. 6, 2004

**TRADEMARK
PRINCIPAL REGISTER**

GRAND TURBO

BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
10 ORCHARD ROAD, SUITE 200
LAKE FOREST, CA 92630

FOR: BARBECUE GRILLS, BARBECUE GRILLS
CONSTRUCTED FROM KITS AND PRINTED IN-
STRUCTIONS SOLD AS A UNIT THEREWITH, IN
CLASS 11 (U.S. CLS. 13, 21, 23, 31 AND 34).

FIRST USE 6-30-2002; IN COMMERCE 6-30-2002.

OWNER OF U.S. REG. NO. 1,805,958.

SER. NO. 78-200,551, FILED 1-7-2003.

STACY WAHLBERG, EXAMINING ATTORNEY

Int. Cls.: 11 and 21

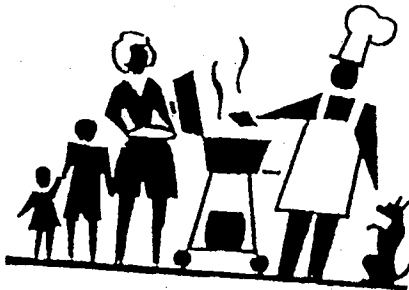
Prior U.S. Cls.: 2, 13, 21, 23, 29, 30, 31, 33, 34, 40
and 50

United States Patent and Trademark Office

Reg. No. 2,202,730

Registered Nov. 10, 1998

**TRADEMARK
PRINCIPAL REGISTER**



BARBEQUES GALORE INC. (CALIFORNIA
CORPORATION)
15041 BAKE PARKWAY
SUITE A
IRVINE, CA 92718

FOR: BARBEQUE GRILL ACCESSORIES,
NAMELY, COVERS FOR BARBEQUE GRILLS,
IN CLASS 11 (U.S. CLS. 13, 21, 23, 31 AND 34).
FIRST USE 4-0-1994; IN COMMERCE
10-0-1996.

FOR: COOKING UTENSILS, NAMELY,
METAL BASKETS USED TO HOLD MEAT,
FISH OR POULTRY OVER THE BARBEQUE
GRILL, ROAST RACKS, NON-ELECTRIC
GRIDDLES PLACED ON A BARBEQUE GRILL
AND USED TO COOK PANCAKES OR FRY
FOODS, METAL BASKET ROAST HOLDERS
PLACED ON THE BARBEQUE GRILL USED

TO ROAST FOOD, METAL TUMBLE BASKET
PLACED ON THE BARBEQUE ROTISSERIE
WHICH ARE USED TO HOLD VEGETABLES,
METAL POULTRY ROASTERS INSERTED
INTO THE POULTRY TO HOLD IT UPRIGHT
ON THE BARBEQUE GRILL, METAL WARM-
ING RACKS WHICH FIT INTO THE LID OF
THE BARBEQUE GRILL AND ARE USED TO
HOLD FOOD ABOVE THE FLAMES OF THE
GRILL, IN CLASS 21 (U.S. CLS. 2, 13, 23, 29, 30,
33, 40 AND 50).

FIRST USE 4-0-1994; IN COMMERCE
10-0-1996.

SER. NO. 75-332,496, FILED 7-29-1997.

DIANE B. MELNICK, EXAMINING ATTOR-
NEY

149
TRADEMARK

REEL: 004433 FRAME: 0168

Int. Cl.: 42

Prior U.S. Cl.: 101

United States Patent and Trademark Office

Reg. No. 1,481,183

Registered Mar. 15, 1988

**SERVICE MARK
PRINCIPAL REGISTER**

B.B.Q'S GALORE

BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
14048 E. FIRESTONE BOULEVARD
SANTA FE SPRINGS, CA 90670

FOR: RETAIL STORE SERVICES IN THE
FIELD OF BARBEQUE GRILLS AND ACCES-
SORIES THEREFOR, WOOD BURNING
STOVES AND ACCESSORIES THEREFOR,
AND FIREPLACES AND ACCESSORIES
THEREFOR, IN CLASS 42 (U.S. CL. 101).

FIRST USE 4-10-1980; IN COMMERCE
4-10-1980.

OWNER OF U.S. REG. NO. 1,200,330 AND
OTHERS.

NO CLAIM IS MADE TO THE EXCLUSIVE
RIGHT TO USE "B.B.Q'S", APART FROM THE
MARK AS SHOWN.

SER. NO. 675,521, FILED 7-30-1987.

JEAN E. LOGAN, EXAMINING ATTORNEY

150
TRADEMARK

REEL: 004433 FRAME: 0169

Int. Cl.: 11

Prior U.S. Cls.: 13, 23 and 34

United States Patent and Trademark Office

Reg. No. 1,200,330

Registered Jul. 6, 1982

TRADEMARK
Principal Register

BARBEQUES GALORE

Barbeques Galore, Inc. (California corporation)
14048 E. Firestone Blvd.
Santa Fe Springs, Calif. 90670

For: BARBEQUE GRILLS; AND BARBEQUE
GRILL KITS COMPRISING A BARBEQUE
GRILL, SKEWERS, AND SKEWER DRIVE
UNITS, AND PARTS THEREFORE, in CLASS 11
(U.S. Cls. 13, 23 and 34).

First use Apr. 10, 1980; in commerce Apr. 10,
1980.

Applicant disclaims the word "Barbeques" apart
from the mark as shown, except for any common law
rights therein.

Ser. No. 259,068, filed Apr. 21, 1980.

WILLIAM P. HERKLOTS, Primary Examiner.

151
TRADEMARK

REEL: 004433 FRAME: 0170

Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31, and 34

United States Patent and Trademark Office

Reg. No. 2,898,147

Registered Oct. 26, 2004

**TRADEMARK
PRINCIPAL REGISTER**

TURBO SELECT

BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
10 ORCHARD ROAD, SUITE 200
LAKE FOREST, CA 92630

NO CLAIM IS MADE TO THE EXCLUSIVE
RIGHT TO USE "SELECT", APART FROM THE
MARK AS SHOWN.

FOR: BARBECUE GRILLS, IN CLASS 11 (U.S. CLS.
13, 21, 23, 31 AND 34).

SN 78-203,111, FILED 1-14-2003.

FIRST USE 8-31-2003; IN COMMERCE 8-31-2003.

OWNER OF U.S. REG. NO. 1,805,958.

RICHARD WHITE, EXAMINING ATTORNEY

102
TRADEMARK
REEL: 004433 FRAME: 0171

Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31, and 34

United States Patent and Trademark Office

Reg. No. 3,030,370
Registered Dec. 13, 2005

TRADEMARK
PRINCIPAL REGISTER



BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
SUITE 200
10 ORCHARD ROAD
LAKE FOREST, CA 92630

FOR: REFRIGERATORS FOR DOMESTIC IN-
DOOR AND OUTDOOR USE, IN CLASS 11 (U.S.
CLS. 13, 21, 23, 31 AND 34).

FIRST USE 5-31-2005; IN COMMERCE 5-31-2005.

OWNER OF U.S. REG. NO. 1,805,958.

NO CLAIM IS MADE TO THE EXCLUSIVE
RIGHT TO USE COOL, APART FROM THE MARK
AS SHOWN.

SN 78-366,373, FILED 2-11-2004.

MARK T. MULLEN, EXAMINING ATTORNEY

Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31, and 34

United States Patent and Trademark Office

Reg. No. 2,958,386
Registered May 31, 2005

**TRADEMARK
PRINCIPAL REGISTER**

TURBO STS

BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
10 ORCHARD ROAD
SUITE 200
LAKE FOREST, CA 92630

FOR: BARBECUE GRILLS, IN CLASS 11 (U.S. CLS.
13, 21, 23, 31 AND 34).

FIRST USE 9-30-2003; IN COMMERCE 10-30-2003.

OWNER OF U.S. REG. NO. 1,805,958.

SN 78-292,781, FILED 8-27-2003.

KEVON CHISOLM, EXAMINING ATTORNEY

Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31, and 34

United States Patent and Trademark Office

Reg. No. 3,080,829

Registered Apr. 11, 2006

TRADEMARK
PRINCIPAL REGISTER

CHALLENGER

BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
SUITE 200
10 ORCHARD ROAD
LAKE FOREST, CA 92630

THE MARK CONSISTS OF STANDARD CHAR-
ACTERS WITHOUT CLAIM TO ANY PARTICULAR
FONT, STYLE, SIZE, OR COLOR.

FOR: BARBECUE GRILLS, IN CLASS 11 (U.S. CLS.
13, 21, 23, 31 AND 34).

SN 78-519,338, FILED 11-18-2004.

FIRST USE 5-31-2005; IN COMMERCE 5-31-2005.

TIMOTHY FINNEGAN, EXAMINING ATTORNEY

Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31, and 34

United States Patent and Trademark Office

Reg. No. 3,357,604

Registered Dec. 18, 2007

**TRADEMARK
PRINCIPAL REGISTER**

STRADA

BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
SUITE 200
10 ORCHARD ROAD
LAKE FOREST, CA 92630

FOR: BARBECUE GRILLS, BARBECUES AND
PRINTED INSTRUCTIONS SOLD AS A UNIT
THEREWITH, IN CLASS 11 (U.S. CLS. 13, 21, 23, 31
AND 34).

FIRST USE 6-30-2007; IN COMMERCE 6-30-2007.

THE MARK CONSISTS OF STANDARD CHAR-
ACTERS WITHOUT CLAIM TO ANY PARTICULAR
FONT, STYLE, SIZE, OR COLOR.

THE FOREIGN WORDING IN THE MARK
TRANSLATES INTO ENGLISH AS "ROAD" OR
"STREET."

SN 78-805,468, FILED 2-2-2006.

ROBIN CHOSID, EXAMINING ATTORNEY

Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31 and 34

United States Patent and Trademark Office

Reg. No. 3,221,785

Registered Mar. 27, 2007

TRADEMARK
PRINCIPAL REGISTER

Grand Endeavor

BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
SUITE 200
10 ORCHARD ROAD
LAKE FOREST, CA 92630

FOR: BARBECUE GRILLS; BARBECUES, IN
CLASS 11 (U.S. CLS. 13, 21, 23, 31 AND 34).

FIRST USE 6-30-2004; IN COMMERCE 6-30-2004.

THE MARK CONSISTS OF STANDARD CHAR-
ACTERS WITHOUT CLAIM TO ANY PARTICULAR
FONT, STYLE, SIZE, OR COLOR.

OWNER OF U.S. REG. NO. 2,799,163.

SER. NO. 78-738,058, FILED 10-21-2005.

MELVIN AXILBUND, EXAMINING ATTORNEY

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Int. Cl.: 11

Prior U.S. Cls.: 13, 21, 23, 31 and 34

United States Patent and Trademark Office

Reg. No. 3,150,909

Registered Oct. 3, 2006

TRADEMARK
PRINCIPAL REGISTER

Complete Kitchen

BARBEQUES GALORE, INC. (CALIFORNIA
CORPORATION)
SUITE 200
10 ORCHARD ROAD
LAKE FOREST, CA 92630

THE MARK CONSISTS OF STANDARD CHAR-
ACTERS WITHOUT CLAIM TO ANY PARTICULAR
FONT, STYLE, SIZE, OR COLOR.

FOR: BARBECUE GRILLS; BARBECUES, IN
CLASS 11 (U.S. CLS. 13, 21, 23, 31 AND 34).

SER. NO. 78-738,055, FILED 10-21-2005.

FIRST USE 4-30-2003; IN COMMERCE 4-30-2003.

KIMBERLY FRYE, EXAMINING ATTORNEY

Document Description: ITU Extension Approval
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UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Trademarks
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NOTICE OF APPROVAL OF EXTENSION REQUEST

Apr 1, 2008

Anna W. Manville
Arnold & Porter LLP
Trademark Docketing
555 Twelfth Street, N.W.
Washington DC 20004-1206

TM15

ATTORNEY
REFERENCE NUMBER:

11922.001

SERIAL NUMBER: 78/456792
MARK: TURBO SEAR
OWNER: Barbeques Galore, Inc.
EXTENSION REQUEST NUMBER: 5 NOTICE OF ALLOWANCE DATE: Sep 20, 2005

A Notice of Allowance was issued on Sep 20, 2005 for the trademark application identified above. The FIFTH request for Extension of Time to File a Statement of Use has been approved. Applicant must continue to file extension requests every 6 months calculated from the date the Notice of Allowance was issued until a Statement of Use is filed. Please note that a Statement of Use cannot be filed more than 36 months from the issuance date of the Notice of Allowance.

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PROOF OF SERVICE

1
2 STATE OF CALIFORNIA)
3 COUNTY OF LOS ANGELES)

4
5 I, Mary de Leon, am employed in the city and county of Los Angeles, State of California. I
6 am over the age of 18 and not a party to the within action; my business address is 10100 Santa
7 Monica Blvd., 11th Floor, Los Angeles, California 90067-4100.

8 On September 12, 2008, I caused to be served the **SUBMISSION OF EXECUTED ASSET**
9 **PURCHASE AGREEMENT DATED SEPTEMBER 12, 2008 FOR PRIVATE SALE**
10 **PURSUANT TO SALE APPROVAL ORDER** in this action by placing a true and correct copy of
11 said document(s) in sealed envelopes addressed as follows:

12 *PLEASE SEE ATTACHED SERVICE LIST*

- 13 (BY MAIL) I am readily familiar with the firm's practice of collection and processing
14 correspondence for mailing. Under that practice it would be deposited with the U.S.
15 Postal Service on that same day with postage thereon fully prepaid at Los Angeles,
16 California, in the ordinary course of business. I am aware that on motion of the party
17 served, service is presumed invalid if postal cancellation date or postage meter date is
18 more than one day after date of deposit for mailing in affidavit.
- 19 (BY EMAIL) I caused to be served the above-described document by email to the parties
20 indicated on the attached service list at the indicated email address.
- 21 (BY NOTICE OF ELECTRONIC FILING) I caused to be served the above-described
22 document by means of electronic transmission of the Notice of Electronic Filing through
23 the Court's transmission facilities, for parties and/or counsel who are registered ECF
24 Users.
- 25 (BY FAX) I caused to be transmitted the above-described document by facsimile
26 machine to the fax number(s) as shown. The transmission was reported as complete and
27 without error. (Service by Facsimile Transmission to those parties on the attached List
28 with fax numbers indicated.)
- (BY PERSONAL SERVICE) By causing to be delivered by hand to the offices of the
addressee(s).
- (BY OVERNIGHT DELIVERY) By sending by _____ to the addressee(s) as
indicated on the attached list.

I declare that I am employed in the office of a member of the bar of this Court at whose
direction was made.

Executed on September 12, 2008, at Los Angeles, California.



Mary de Leon

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