

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM319234

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Asset Purchase Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Canyon Outback Leather Goods, Inc.		11/01/2011	CORPORATION: MINNESOTA
RECEIVING PARTY DATA			
Name:	Beacon Promotions, Inc.		
Street Address:	2121 Bridge Street		
City:	New Ulm		
State/Country:	MINNESOTA		
Postal Code:	56073		
Entity Type:	CORPORATION: MINNESOTA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	3523810	CANYON OUTBACK LEATHER GOODS, INC.	
CORRESPONDENCE DATA			
Fax Number:	6123312239		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	612-331-1464		
Email:	larry@nrslaw.com		
Correspondent Name:	Lawrence M. Nawrocki		
Address Line 1:	3433 Broadway Street N.E.		
Address Line 2:	Suite 401		
Address Line 4:	Minneapolis, MINNESOTA 55413		
ATTORNEY DOCKET NUMBER:	19665.402101		
NAME OF SUBMITTER:	Lawrence M. Nawrocki		
SIGNATURE:	/Lawrence M. Nawrocki/		
DATE SIGNED:	10/06/2014		
Total Attachments: 86			
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source=Asset Purchase Agreement - Canyon Outback - Executed#page2.tif			
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TRADEMARK

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), dated as of November 1, 2011, is entered into between Canyon Outback Leather Goods, Inc., a Minnesota corporation (the "Seller"), James R. Cimino, an individual residing in the State of Minnesota (the "Owner"), and Beacon Promotions, Inc., a Minnesota corporation (the "Buyer").

RECITALS:

WHEREAS, the Buyer wishes to purchase from the Seller, and the Seller wishes to sell to the Buyer, substantially all of the assets and properties of the Seller, upon the terms and subject to the conditions set forth herein; and

WHEREAS, the Owner owns 100% of the issued and outstanding shares of common stock of the Seller.

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

ARTICLE I DEFINITIONS

The following terms have the meanings specified or referred to in this Article I:

"Action" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. 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 a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" is defined in the preamble.

"Assignment and Assumption Agreement" means the Assignment and Assumption Agreement between the Seller and the Buyer dated as of the Closing Date and as amended, restated or otherwise modified from time to time.

"Assumed Contracts" means all of the Contracts and other agreements listed in Section 2.03(a)(i) of the Disclosure Schedules and all security deposits relating thereto.

"Assumed Liabilities" is defined in Section 2.03(a).

"Assumed Employee Liabilities" means (a) all payroll Liabilities with respect to all Transferred Employees for any pay period ending after the Closing Date (including that portion of such pay period prior to the Closing Date), and (b) all accrued vacation and sick pay for all Transferred Employees earned by the Employee on or after January 1, 2011, and prior to the Closing Date.

"Balance Sheet" is defined in Section 3.06.

"Balance Sheet Date" is defined in Section 3.06.

"Benefit Plan" is defined in Section 3.20(a).

"Bill of Sale" means the Bill of Sale executed by the Seller in favor of the Buyer dated as of the Closing Date and as amended, restated or otherwise modified from time to time.

"Business" means the manufacturing, imprinting, selling and/or distributing of jackets, bags and/or other business accessories, including, but not limited to, any products within or related to any of the categories listed in Section 1.01 of the Disclosure Schedules, in and/or into the United States and/or Canada.

"Business Day" means any day except Saturday, Sunday or any other day on which commercial banks located in Chicago, Illinois, are authorized or required by Law to be closed for business.

"Buyer" is defined in the preamble.

"Canadian GST" means the goods and service tax imposed pursuant to the Excise Tax Act of Canada, as amended from time to time, and any similar tax imposed by a province or territory of Canada that substantially adopts or duplicates such legislation in the Excise Tax Act of Canada.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

"Closing" is defined in Section 2.05.

"Closing Date" is defined in Section 2.05.

"COBRA" means the requirements of Part 6 of Subtitle B of Title I of ERISA and Code § 4980B and of any similar state law.

"Code" means the Internal Revenue Code of 1986, as amended.

"Consulting Agreement" means that certain Consulting Agreement dated as of November 1, 2011, between the Buyer and the Owner, as in effect on the date hereof and as amended, restated or otherwise modified from time to time.

"Contracts" means all contracts, Leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"Current Assets" means accounts receivable, inventory and prepaid expenses, but excluding (a) Tax assets and (b) receivables from any of the Seller's Affiliates, directors or stockholders and any of their respective Affiliates, determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Reviewed Financial Statements for the most recent fiscal year end as if such accounts were being prepared and reviewed as of a fiscal year end.

"Current Liabilities" means accounts payable, accrued sales Taxes, accrued Canadian GST, accrued expenses and checks and/or drafts that have been issued by have not yet cleared the Seller's bank, but excluding: payables to any of the Seller's Affiliates, directors or stockholders and any of their respective Affiliates, income Tax liabilities and the current portion of long term debt, determined in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Reviewed Financial Statements for the most recent fiscal year end as if such accounts were being prepared and reviewed as of a fiscal year end.

"Direct Claim" is defined in Section 7.05(c).

"Disclosure Schedules" means the Disclosure Schedules delivered by the Seller and the Buyer concurrently with the execution and delivery of this Agreement.

"Dollars" or "\$" means the lawful currency of the United States.

"Employees" means those Persons employed by the Seller immediately prior to the Closing.

"Encumbrance" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind,

including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership, other than Permitted Encumbrances.

"Environmental Claim" means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"Environmental Law" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term "Environmental Law" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"Environmental Notice" means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"Environmental Permit" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"Excluded Assets" is defined in Section 2.02.

"Excluded Liabilities" is defined in Section 2.03(b).

"Financial Statements" is defined in Section 3.06.

"GAAP" means United States generally accepted accounting principles in effect from time to time.

"Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Hazardous Materials" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation, and polychlorinated biphenyls.

"Indemnified Party" is defined in Section 7.05.

"Indemnifying Party" is defined in Section 7.05.

"Insurance Policies" is defined in Section 3.16.

"Intellectual Property" means all of the following and similar intangible property and related proprietary rights, interests and protections, however arising, pursuant to the Laws of any jurisdiction throughout the world:

(a) trademarks, service marks, trade names, brand names, logos, trade dress and other proprietary indicia of goods and services, whether registered, unregistered or arising by Law, and all registrations and applications for registration of such trademarks, including intent-to-use applications, and all issuances, extensions and renewals of such registrations and applications;

(b) internet domain names, whether or not trademarked, registered in any generic top level domain by any authorized private registrar or Governmental Authority;

(c) original works of authorship in any medium of expression, whether or not published, all copyrights (whether registered, unregistered or arising by Law), all registrations and applications for registration of such copyrights, and all issuances, extensions and renewals of such registrations and applications;

(d) confidential information, formulas, designs, devices, technology, know-how, research and development, inventions, methods, processes, compositions and other trade secrets, whether or not patentable; and

(e) patented and patentable designs and inventions, all design, plant and utility patents, letters patent, utility models, pending patent applications and provisional applications and all issuances, divisions, continuations, continuations-in-part, reissues, extensions, re-examinations and renewals of such patents and applications.

"Intellectual Property Registrations" is defined in Section 3.12(a).

"Interim Balance Sheet" is defined in Section 3.06.

"Interim Balance Sheet Date" is defined in Section 3.06.

"Interim Financial Statements" is defined in Section 3.06.

"Inventory" means all finished goods inventories, raw materials, packaging materials, work in process, supplies, manufactured and purchased parts, consigned goods and finished goods (including warehoused inventories, inventories covered by purchase orders and returned goods).

"Knowledge of the Seller" or "Seller's Knowledge" or any other similar knowledge qualification, means the actual knowledge of the Owner or the Seller or any director or officer of the Seller, after due inquiry.

"Law" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"Lease" or "Leases" means all leases, subleases, licenses, concessions and other agreements (written or oral), including all amendments, extensions, renewals, guaranties, and other agreements with respect thereto, pursuant to which the Seller holds any Leased Real Property.

“Leased Real Property” means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures, or other interest in real property held by the Seller and used in the Business.

“Liabilities” is defined in Section 3.07.

“Licensed Intellectual Property” means Intellectual Property in which the Seller holds exclusive or non-exclusive rights or interests granted by license from other Persons, including the Owner.

“Litigation Matters” means any actions, suits, proceedings (including any grievance or arbitration proceedings), orders, investigations or claims before any court (whether at law or in equity), administrative or regulatory agency, governmental department, commission, board, bureau, instrumentality, arbitrator, mediator or other forum for dispute resolution.

“Losses” means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; provided, however, that “Losses” shall not include punitive damages, except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party.

“Material Adverse Effect” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to: (a) the business, results of operations, prospects, condition (financial or otherwise) or assets of the Seller, or (b) the ability of the Owner or the Seller to consummate the transactions contemplated hereby on a timely basis.

“Material Contracts” means (a) all Contracts listed or described in Section 3.10 hereof, (b) all Contracts concerning the occupancy, management or operation of any Real Property (including without limitation, brokerage contracts) listed or otherwise disclosed in Section 3.10(a) of the Disclosure Schedules and (c) all Contracts relating to Intellectual Property set forth in Section 3.12(b) of the Disclosure Schedules.

“Material Suppliers” is defined in Section 3.15(b).

“Nonassignable Contracts” is defined in Section 2.06.

“Non-Transferred Employee” is defined in Section 6.01.

“Owner” is defined in the preamble.

“Party Claim” is defined in Section 7.01.

“Participate” means to own an interest in, operate, join, control, advise, consult to, work for, serve as a director of, have a financial interest in or participate in any other way in any other Person in any capacity, including as a partner, shareholder, member, employee, principal, agent, trustee or consultant.

"Permits" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"Permitted Encumbrances" means (a) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures and for which there are adequate accruals or reserves on the Balance Sheet; (b) mechanics, carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business consistent with past practice on amounts that are not delinquent and that are not, individually or in the aggregate, material to the business of the Seller; and (c) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property that are not, individually or in the aggregate, material to the business of the Seller.

"Person" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"Purchase Price" is defined in Section 2.04.

"Purchased Assets" means all of the assets of the Seller other than Excluded Assets, including all of the Seller's: (a) accounts and accounts receivable, including those accounts receivable set forth on Schedule 3.14 of the Disclosure Schedules, (b) Real Property, leaseholds and subleaseholds therein, improvements, fixtures, and fittings thereon, and easements, rights-of-way, and other appurtenants thereto (such as appurtenant rights in and to public streets), if any, (c) tangible personal property (such as repair parts, machinery, equipment, inventories of raw materials and supplies, manufactured and purchased parts, goods in process and finished goods, furniture, automobiles, trucks, tractors, trailers, tankers, tools, pumps, stabilizers, jigs, and dies), if any, (d) Intellectual Property (including the names "Canyon Outback Leather Goods" and any derivation thereof), goodwill associated therewith, licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against infringements thereof, and rights to protection of interests therein under the laws of all jurisdictions, if any, (e) Leases, subleases, and rights thereunder, if any, (f) all Assumed Contracts, (g) notes and other receivables, other than accounts receivable, if any, (h) securities, if any, (i) claims, deposits, refunds, causes of action, choses in action, rights of recovery, rights of set off and rights of recoupment (including any such item relating to the payment of Taxes), if any, (j) franchises, approvals, Permits (including but not limited to disposal Permits), licenses, orders, registrations, certificates, variances, and similar rights obtained from governments and governmental agencies, in each case, to the extent assignable, if any, (k) telephone numbers and yellow page advertising, if any, (l) the Realtree License

Agreement, (m) books, records, ledgers, files, documents, correspondence, lists, plats, architectural plans, drawings and specifications, creative materials, advertising and promotional materials, operational, billing and payable information, studies, reports, and other printed or written materials, if any, (n) computer hardware and software, if any, and (o) open customer purchase orders and the obligations in connection therewith.

“Realtree Products” means any products or merchandise utilizing any “Realtree Outfitters” or “Realtree Girl” pattern or logo, or any other pattern or logo that is subject to the Realtree Trademark Agreement.

“Realtree Trademark Agreement” means the Trademark License Agreement dated as of June 1, 2010, between the Seller and Jordan Outdoor Enterprises, Ltd. (as in effect on the date hereof and as amended, restated or otherwise modified from time to time).

“Real Property” means the real property owned, leased or subleased by the Seller, together with all buildings, structures and facilities located thereon.

“Release” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

“Representative” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“Restricted Business” means the manufacturing, imprinting, selling and/or distributing of jackets, bags and/or other business accessories that are made of leather, canvas, or leather-trimmed, including, but not limited to, any products within or related to any of the categories listed in Schedule 1.01 hereof, in and/or into the United States and/or Canada. Notwithstanding the foregoing, jackets shall be limited to leather or leather-trimmed only. For purposes of this definition, leather shall include any material which attempts to look like or simulate a leather-like appearance.

“Restricted Period” is defined in Section 5.02(a).

“Reviewed Financial Statements” is defined in Section 3.06.

“Seller” is defined in the preamble.

“Seller Indemnifying Parties” is defined in Section 7.02.

“Seller Intellectual Property” means all Intellectual Property that is owned by the Seller.

“Seller Sales Representatives” is defined in Section 3.15(a).

“Seller Sales Representative Agreements” means any contract or agreement (whether written or oral) between the Seller and any Seller Sales Representative.

“Seller’s Accountants” means Larson, Allen, LLP.

“Statement of Objections” is defined in Section 2.04(b)(ii).

“Tax Return” means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Tax” and “Taxes” mean all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest with respect to such additions or penalties.

“Territory” means the United States of America and Canada.

“Third Party Claim” is defined in Section 7.05(a).

“Transaction Documents” means this Agreement, the Consulting Agreement, the Assignment and Assumption Agreement, the Bill of Sale and each other document, instrument or agreement delivered in connection herewith or therewith according to the terms hereof or thereof.

“Transferred Employees” is defined in Section 6.01.

ARTICLE II PURCHASE AND SALE

Section 2.01 Purchase and Sale. On the terms and subject to the conditions set forth in this Agreement, on the Closing Date, the Buyer shall purchase from the Seller, and the Seller shall sell, convey, assign, transfer and deliver to the Buyer, all of the Seller’s right, title and interest in all of the Purchased Assets, free and clear of all Encumbrances, for the consideration set forth in Section 2.04.

Section 2.02 Excluded Assets. Notwithstanding the provisions of Section 2.01 hereof, the following properties, assets, rights and interests of the Seller are expressly excluded from the purchase and sale contemplated hereby and, as such, are not included in the Purchased Assets (collectively, the “Excluded Assets”): (i) the articles of organization, bylaws, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, corporate record books and other documents relating to the organization, maintenance and existence of the Seller as a corporation; (ii) income Tax Returns, and any notes, worksheets, files or documents relating thereto; (iii) rights under or pursuant to this Agreement and the Schedules and Exhibits attached hereto; (iv) equity interests in the Seller; (v) claims for and rights to receive income Tax refunds with respect to taxable periods ending prior to the Closing Date or relating to any Excluded Liability; (vi) all books and records that the Seller is required by applicable law to retain, subject to the right of the Buyer to have access to and to copy such books and records for a period of seven (7) years after the Closing Date; (vii) any pension, profit-sharing or employee benefit plans, including any assets in any related trusts; (ix) all cash and cash equivalents (including any cash attributable to customer prepayments made on or before October 31, 2011); and (xi) any other asset listed in Section 2.02 of the Disclosure Schedules.

Section 2.03 Assumption and Exclusion of Liabilities.

(a) Assumption of Liabilities. Subject to the conditions set forth in this Agreement, in addition to the Purchase Price, the Buyer shall assume on the Closing Date and shall pay, discharge or perform when due only those debts, liabilities and obligations of Seller specifically set forth in this Section 2.03(a) or otherwise explicitly assumed in this Agreement, whether accrued, absolute, contingent or otherwise, whether known or unknown, whether due or to become due, whether related to the Business or the Purchased Assets, and regardless of when or by whom asserted (collectively, the “Assumed Liabilities”): (i) any current (i.e., not past due) liability or obligation of the Seller under the Assumed Contracts (but excluding any liability or obligation arising out of or in connection with any breach thereof occurring prior to the Closing); (ii) all accounts payable of the Seller incurred in the ordinary course of business, including, without limitations, the obligations of the Seller under the accounts payable set forth in Section 2.03(a)(ii) of the Disclosure Schedules (the “Assumed Accounts Payable”); (iii) any Assumed Employee Liabilities; and (iv) any and all debts, liabilities and obligations resulting from or arising out of the operation of conduct of the Business or the ownership or use of any Purchased Asset on or after the Closing Date.

(b) Exclusion of Liabilities. Notwithstanding anything to the contrary in this Agreement, the Buyer shall not assume or in any way become liable for the Seller’s debts, liabilities or obligations of any nature whatsoever (other than the Assumed Liabilities), whether accrued, absolute, contingent or otherwise, whether known or unknown, whether due or to become due, whether or not related to the Business or the Purchased Assets, and regardless of when or by whom asserted, including, without limitation, (i) any liabilities or obligations of the Seller not expressly assumed by the

Buyer pursuant to Section 2.03(a) or otherwise explicitly assumed in this Agreement, whether or not disclosed to the Buyer prior to the Closing or identified by the Buyer or its agents or representatives through their due diligence investigations prior to the Closing; (ii) any and all liabilities of or imposed on the Seller related or attributable to Taxes, and specifically any liability for Taxes arising from or attributable to the Business, the Purchased Assets or the Seller's operation of the Business, for all taxable periods (or portions thereof) ending on or prior to the Closing Date; (iii) any and all liabilities arising from or related to any Litigation Matters involving the Seller or the Owner, and that are unrelated to any actions, omissions, or fault of the Buyer; (iv) any liability or obligation of any nature between the Seller and any past or present Affiliate of the Seller; (v) any obligations with respect to any Employees arising on or before the Closing Date other than Assumed Employee Liabilities; (vi) and any obligations with respect to any Non-Transferred Employees arising on or after the Closing Date, and (viii) any obligations or liabilities with respect to any Seller Sales Representative Agreements other than any commissions earned by any Seller Sales Representative for sales occurring after September 30, 2011, pursuant to a Seller Sales Representative Agreement (collectively, the "Excluded Liabilities"). The Owner and the Seller hereby acknowledge that the Seller is retaining the Excluded Liabilities, and the Seller shall, and the Owner hereby agrees to cause the Seller to, pay, discharge and perform all such liabilities and obligations promptly when due.

Section 2.04 Purchase Price. The aggregate purchase price for the Purchased Assets shall be \$1,900,000.00, plus payment of \$196,273.02 by no later than November 7, 2011 (the "Purchase Price"). The Purchase Price will be paid on the Closing Date by wire transfer in cash in immediately available funds at Closing to such account or accounts designated by Seller.

Section 2.05 Closing. The purchase and sale of the Purchased Assets shall take place at a closing (the "Closing") to be held at the offices of the Buyer at 9:00 AM Central time, on November 1, 2011, or at such other time or on such other date or at such other place as the Seller and the Buyer may agree in writing (the day on which the Closing takes place being the "Closing Date").

Section 2.06 Nonassignable Contracts. As used in this Agreement, the term "Nonassignable Contract" means any Assumed Contract or governmental license, permit or other authorization the transfer or assignment of which requires the consent of any authority or other Person and which consent has not been obtained prior to the Closing. With respect to any Nonassignable Contract for which the applicable approval or consent of any authority or other Person is not obtained prior to the Closing, this Agreement shall not be deemed to constitute an assignment of any such Nonassignable Contract if such consent is not given or if such assignment otherwise would constitute a breach of, or cause a loss of contractual benefits under, any such Nonassignable Contract, and the Buyer shall not assume any obligations or liabilities under any such Nonassignable Contract. Without in any way limiting the Seller's obligation to obtain all consents and waivers necessary for the sale, transfer, assignment and delivery of the Nonassignable

Contracts and the other Purchased Assets to the Buyer hereunder, if any such consent is not obtained or if such assignment is not permitted irrespective of consent and the Closing hereunder is consummated, the Owner and the Seller shall cooperate with the Buyer following the Closing Date in any reasonable arrangement designed to provide the Buyer with the rights and benefits (subject to the obligations) under any such Nonassignable Contract, including enforcement for the benefit of the Buyer of any and all rights of the Seller against any other party arising out of any breach or cancellation of any such Nonassignable Contract by such other party and, if requested by the Buyer, acting as an agent on behalf of the Buyer or as the Buyer shall otherwise reasonably require; provided that the cost of such arrangements shall be borne by the Buyer.

Section 2.07 Purchase Price Allocation. The Buyer and the Sellers agree that the Purchase Price and the Assumed Liabilities (plus all other capitalizable costs) shall be allocated among the Purchased Assets in a manner that is consistent with the draft allocation set forth on the Schedule 2.07 attached hereto, in accordance with Section 1060 of the Code. No later than sixty (60) days following the Closing Date, the Buyer and the Seller shall agree upon a final allocation of the adjusted Purchase Price and the Assumed Liabilities consistent with the principles reflected on Schedule 2.07, and the Buyer and the Seller shall prepare and file all Tax Returns in a manner consistent with the final allocation agreed upon pursuant to this Section 2.07.

Section 2.08 Amounts Held in Trust. Any amounts received by the Buyer after the Closing with respect to any Excluded Asset shall be held by the Buyer in trust for the benefit of the Seller and shall be paid or delivered immediately to the Seller in the same form as so received (with any necessary endorsement or assignment). Likewise, any amounts received by the Seller or the Owner after the Closing with respect to any Purchased Asset shall be held by the Seller in trust for the benefit of the Buyer, and shall immediately be paid or delivered immediately to the Buyer in the same form as so received (with any necessary endorsement or assignment). Without limiting the foregoing, the Seller will assist the Buyer causing all customer Visa and electronic payments to be redirected to an account specified by the Buyer. In addition, upon request the seller will provide the Buyer with copies of all bank statements for Seller's account at Wells Fargo Bank for the months of October 2011 through January 2012, and Seller shall keep such account open until January 31, 2012.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

The Owner and the Seller hereby represent and warrant to the Buyer that the statements contained in this Article III as outlined below are true and correct as of the date hereof.

Section 3.01 Organization, Authority and Qualification. The Seller is a corporation duly organized, validly existing and in good standing under the Laws of the state of Minnesota and has full corporate power and authority to enter into this

Agreement and the other Transaction Documents to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The Owner has full legal capacity to enter into this Agreement and the Transaction Documents to which he is a party and to perform his obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. Section 3.01 of the Disclosure Schedules sets forth each jurisdiction in which the Seller is licensed or qualified to do business, and the Seller is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary. The execution and delivery of this Agreement and the other agreements contemplated hereby by the Seller, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by all requisite corporate action on the part of the Seller.

Section 3.02 No Subsidiaries. The Seller does not own, or have any interest in any shares or have an ownership interest in any other Person.

Section 3.03 No Conflicts; Consents. The execution and delivery by the Seller and the Owner of this Agreement and the other Transaction Documents to which each of them is a party and the performance of their respective obligations hereunder and thereunder, do not and will not: (a) conflict with or result in any breach of any of the provisions of, the corporate documents of the Seller; (b) conflict with or result in any breach of any provisions of any agreement (whether written or oral), order, decree(s) or other document in connection with or in any way related to the dissolution of James R. Cimino's marriage to Rose Cimino; (c) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to the Seller or the Owner; (d) require the consent, notice or other action by any third person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel, any Contract to which the Seller is a party or by which the Seller is bound (including any Assumed Contract); or (e) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on any of the Purchased Assets. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Seller or the Owner in connection with the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

Section 3.04 Due Execution; Enforceability. This Agreement and the other Transaction Documents to which the Seller is a party have been duly executed and delivered by the Seller, and constitute the valid and binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms, except (a) as may be limited by bankruptcy, insolvency, moratorium reorganization and other similar laws affecting creditors' rights generally and (b) general principals of equity. This Agreement

and the other Transaction Documents to which the Owner is a party have been duly executed and delivered by the Owner, and constitute the valid and binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms, except (a) as may be limited by bankruptcy, insolvency, moratorium reorganization and other similar laws affecting creditors' rights generally and (b) general principals of equity.

Section 3.05 Capitalization. The Owner owns 100% of the outstanding common stock of the Seller. The Seller has no authorized classes of stock and no currently-issued stock other than the common stock currently owned by the Owner.

Section 3.06 Financial Statements. Complete copies of the Seller's reviewed financial statements consisting of the balance sheet of the Seller as of December 31 in each of the years 2008, 2009 and 2010, and the related statements of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "Reviewed Financial Statements"), and unaudited financial statements consisting of the balance sheet of the Seller as of August 31, 2011, and the related statements of income and retained earnings, stockholders' equity and cash flow for the two month period then ended (the "Interim Financial Statements" and together with the Reviewed Financial Statements, the "Financial Statements") are set forth in Section 3.06 of the Disclosure Schedule. To the best of Seller's knowledge, the Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments and the absence of notes (that, if presented, would not differ materially from those presented in the Reviewed Financial Statements). The Financial Statements are based on the books and records of the Seller, and, to the best of the Seller's knowledge, fairly present the financial condition of the Seller as of the respective dates they were prepared and the results of the operations of the Seller for the periods indicated. The balance sheet of the Seller as of December 31, 2010, is referred to herein as the "Balance Sheet" and the date thereof as the "Balance Sheet Date" and the balance sheet of the Seller as of August 31, 2011, is referred to herein as the "Interim Balance Sheet" and the date thereof as the "Interim Balance Sheet Date". The Seller maintains a standard system of accounting established and administered in accordance with GAAP.

Section 3.07 Undisclosed Liabilities. The Seller has no liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise ("Liabilities"), except (a) those that are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date, and (b) those that have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and that are not, individually or in the aggregate, material in amount.

Section 3.08 No Material Adverse Effect. Since the Balance Sheet Date, there has not been any event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse

Effect. Since December 31, 2010, the Seller has conducted the Business only in the ordinary course of business consistent with past practice.

Section 3.09 Material Contracts.

(a) Section 3.09(a) of the Disclosure Schedules lists each of the following Contracts of the Seller:

(i) each Contract of the Seller the performance of which involves aggregate consideration in excess of \$10,000 during the 12-month period following the Closing Date;

(ii) all Contracts that require the Seller to purchase its total requirements of any product or service from a third party or that contain "take or pay" provisions;

(iii) all Contracts that provide for the indemnification by the Seller of any Person or the assumption of any Tax, environmental or other Liability of any Person;

(iv) all Contracts that relate to the acquisition or disposition of any business, a material amount of stock or assets of any other Person or any Real Property (whether by merger, sale of stock, sale of assets or otherwise);

(v) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts to which the Seller is a party;

(vi) all employment agreements and all Contracts with independent contractors or consultants (or similar arrangements) to which the Seller is a party that are not cancellable without material penalty or without more than 90 days' notice;

(vii) except for Contracts relating to trade receivables, all Contracts relating to indebtedness (including, without limitation, guarantees) of the Seller;

(viii) all Contracts with any Governmental Authority to which the Seller is a party;

(ix) all Contracts that limit or purport to limit the ability of the Seller to compete in any line of business or with any Person or in any geographic area or during any period of time;

(x) any Contracts to which the Seller is a party that provide for any joint venture, partnership or similar arrangement by the Seller;

(xi) all Contracts between the Seller and the Owner or any other Affiliate of the Seller;

(xii) all collective bargaining agreements or Contracts with any labor organization, union or association to which the Seller is a party;

(xiii) all agreements between the Seller and any Seller Sales Representative;

(xiv) all agreements pursuant to which the Seller pays or is paid any royalty or other similar payments; and

(xv) any other Contract not previously disclosed pursuant to this Section 3.09(a), the breach of which would result in a Material Adverse Effect.

(b) Each Material Contract is valid and binding on the Seller in accordance with its terms and is in full force and effect. Neither the Seller nor, to the Seller's Knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder to the best of Seller's knowledge. Complete and correct copies of all Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been provided to the Buyer.

Section 3.10 Title to Assets; Real Property.

(a) The Seller has good and valid title to all of the Purchased Assets, free and clear of Encumbrances except for Permitted Encumbrances.

(b) The Seller owns no Real Property. Section 3.10(b) of the Disclosure Schedules contains the Lease for all Leased Real Property. The Seller is not a sublessor or grantor under any sublease or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any Leased Real Property. The use and operation of the Leased Real Property in the conduct of the Seller's business do not violate in any material respect any Law, covenant, condition, restriction, easement, license, permit or agreement. There are no Actions pending or, to the Seller's Knowledge, threatened against or affecting the Leased Real Property or any portion thereof or interest therein in the nature or in lieu of condemnation or eminent domain proceedings. The Leased Real Property constitutes all of the real property owned, leased, occupied or otherwise utilized by the Seller.

Section 3.11 Condition and Sufficiency of Assets. Any tangible personal property included in the Purchased Assets are in good operating condition and repair, ordinary wear and tear excepted, and are adequate for the uses to which they are being put. None of the personal property included in the Purchased Assets is in need of maintenance or repairs except for ordinary, routine maintenance and repairs. All of the personal property included in the Purchased Assets have been installed and maintained in accordance with all applicable laws, regulations and ordinances, and are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the Business as currently conducted.

Section 3.12 Intellectual Property.

(a) Section 3.12(a) of the Disclosure Schedules lists all Seller Intellectual Property that is either (i) subject to any issuance, registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction (collectively, "Intellectual Property Registrations"), including registered trademarks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing; or (ii) used by the Seller in, or necessary for, the Business. All required filings and fees related to the Intellectual Property Registrations have been timely filed with and paid to the relevant Governmental Authorities and authorized registrars, and all Intellectual Property Registrations are otherwise in good standing. The Buyer has been provided access to true and complete copies of any file histories, documents, certificates, office actions, correspondence and other materials related to all Intellectual Property Registrations.

(b) Section 3.12(b) of the Disclosure Schedules lists all licenses, sublicenses and other agreements whereby the Seller is granted rights, interests and authority, whether on an exclusive or non-exclusive basis, with respect to any Licensed Intellectual Property that is used in or necessary for the Seller's current or planned business or operations. The Seller has provided the Buyer with true and complete copies of all such agreements. All such agreements are valid, binding and enforceable between the Seller and the other parties thereto, and the Seller and such other parties are in full compliance with the terms and conditions of such agreements.

(c) The Seller Intellectual Property and the Licensed Intellectual Property as currently or formerly owned, licensed or used by the Seller or proposed to be used, and the Seller's conduct of its business as currently and formerly conducted and proposed to be conducted have not, and do not infringe, violate or misappropriate the Intellectual Property of any Person. The Seller has received no communication, and no Action has been instituted, settled or, to the Seller's Knowledge, threatened that alleges any such infringement, violation or misappropriation, and none of the Seller Intellectual Property is subject to any outstanding Governmental Order.

(d) The Seller is not a party to any license, sublicense and other agreement pursuant to which the Seller grants rights or authority to any Person with respect to any Seller Intellectual Property or Licensed Intellectual Property. No Person has infringed, violated or misappropriated, or is infringing, violating or misappropriating, any Seller Intellectual Property to the best of Seller's knowledge.

Section 3.13 Inventory. All Inventory of the Seller, whether or not reflected in the Balance Sheet, consists of a quality and quantity usable and salable in the ordinary course of business consistent with past practice, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established. All such Inventory is owned by the Seller free and clear of all Encumbrances, and no Inventory is held on a consignment basis. The quantities of each item of Inventory (whether raw materials, work-in-process or finished goods) are not excessive, but are reasonable in the present circumstances of the Seller.

Section 3.14 Accounts Receivable. The accounts receivable reflected on the Interim Balance Sheet and the accounts receivable arising after the Interim Balance Sheet Date (a) have arisen from bona fide transactions entered into by the Seller involving the sale of goods or the rendering of services in the ordinary course of business consistent with past practice; (b) constitute only valid, undisputed claims of the Seller, to the best of Seller's knowledge, and (c) subject to a reserve for bad debts as may be shown on the Interim Balance Sheet or, with respect to accounts receivable arising after the Interim Balance Sheet Date, on the accounting records of the Seller, are believed to be collectible in full within 90 days after billing. Any reserve for bad debts shown on the Interim Balance Sheet or, with respect to accounts receivable arising after the Interim Balance Sheet Date, on the accounting records of the Seller have been determined in accordance with GAAP, consistently applied, subject to normal year-end adjustments and the absence of disclosures normally made in footnotes. Schedule 3.14 of the Disclosure Schedules contains a complete and accurate list of all of the Seller's accounts receivable as of the Closing Date, including the aging of each such account receivable.

Section 3.15 Sales Representatives and Suppliers.

(a) Section 3.15(a) of the Disclosure Schedules sets forth (i) each Person who is authorized to solicit the sale of the Seller's products and services in connection with the Business (collectively, the "Seller Sales Representatives"); and (ii) the amount of commissions paid to each Seller Sales Representative during the twelve-month period ending August 31, 2011. With the exception of Shawna Tickle, who has resigned effective as of January 1, 2012, the Seller has not received any notice, and has no reason to believe, that any of the Seller Sales Representatives has ceased or intends to cease to act as a Seller Sales Representative or to otherwise terminate or materially reduce such Seller Sales Representative's relationship with the Seller. No such Seller Sales Representative is or is considered to be an Employee of the Seller by the Seller.

(b) Section 3.15(b) of the Disclosure Schedules sets forth (i) each supplier to whom the Seller has paid consideration for goods or services rendered in an amount greater than or equal to \$100,000 for either of fiscal year 2010 or for the first nine months of fiscal year 2011 (collectively, the "Material Suppliers"); and (ii) the amount of purchases from each Material Supplier during such periods. The Seller has not received any notice, and has no reason to believe, that any of its Material Suppliers has ceased, or intends to cease, to supply goods or services to the Seller or to otherwise terminate or materially reduce its relationship with the Seller, nor has the Seller received any notice or have any reason to believe that any such Material Supplier intends to increase the prices of goods or services supplied to the Seller by such Material Supplier or to change its current purchasing terms.

Section 3.16 Insurance. Section 3.16 of the Disclosure Schedules sets forth a true and complete list of all current policies or binders of insurance maintained by the Seller and relating to the assets, business, operations, Employees, officers and directors of the Seller (collectively, the "Insurance Policies"), and such Insurance Policies are in full force and effect. The Seller is not in default under, nor has the Seller otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy. The Seller has no self-insurance or co-insurance programs.

Section 3.17 Legal Proceedings; Governmental Orders.

(a) There are no Actions pending or, to the Seller's Knowledge, threatened (i) against or by the Seller affecting any of its properties or assets; or (ii) against or by the Seller that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Seller or any of its properties or assets.

Section 3.18 Compliance With Laws; Permits.

(a) The Seller has complied in all material respects, and is now in compliance in all material respects, with all Laws applicable to it or its business, properties or assets.

(b) There are no Permits required for the Seller to conduct its business.

Section 3.19 Environmental Matters.

(a) The Seller has complied, and is now in compliance, with all Environmental Laws. The Seller has not received from any Person any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information

pursuant to any Environmental Law that, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements.

(b) The Seller has obtained and is in material compliance with all Environmental Permits necessary for the ownership, lease, operation or use of the business or assets of the Seller and all such Environmental Permits are in full force and effect in accordance with Environmental Law.

(c) No real property currently or formerly owned, operated or leased by the Seller in the past ten (10) years is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(d) There has been no Release of Hazardous Materials in contravention of Environmental Law with respect to the business or assets of the Seller or any real property currently or formerly owned, operated or leased by the Seller in the past ten (10) years, and the Seller has not received any Environmental Notice that any real property currently or formerly owned, operated or leased in the past ten (10) years, in connection with the business of the Seller (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Material that could reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or the term of any Environmental Permit by, the Seller.

(e) There are no active or abandoned aboveground or underground storage tanks owned or operated by the Seller.

(f) There are no off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by the Seller or any predecessors as to which the Seller may retain liability.

Section 3.20 Employee Benefit Matters.

(a) Section 3.20(a) of the Disclosure Schedules contains a true and complete list of each benefit, retirement, employment, compensation, incentive, stock option, restricted stock, stock appreciation right, phantom equity, change in control, severance, vacation, paid time off, fringe-benefit and other similar agreement, whether or not reduced to writing, in effect and currently covering one or more Employees, that is maintained, sponsored, contributed to, or required to be contributed to by the Seller, or under which the Seller has or may have any liability for premiums or benefits, or with respect to which the Seller would reasonably be expected to have any liability, contingent or otherwise (as listed on Section 3.20(a) of the Disclosure Schedules, each, a "Benefit Plan").

(b) Each Benefit Plan complies, or in the case of each Benefit Plan that is a multiemployer plan, to the Seller's Knowledge, complies, with all applicable Laws (including ERISA and the Code and the regulations promulgated thereunder).

(c) The Seller has no commitment or obligation and has not made any representations to any Employee, whether or not legally binding, to adopt, amend or modify any Benefit Plan or any collective bargaining agreement, in connection with the consummation of the transactions contemplated by this Agreement or otherwise.

(d) The Seller has no obligations with respect to accrued vacation pay or sick pay for any period prior to January 1, 2011.

Section 3.21 Employment Matters.

(a) Section 3.21(a) of the Disclosure Schedules contains a list of all Employees of the Seller as of the Closing Date, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current annual base compensation rate; and (v) commission, bonus or other incentive-based compensation. All commissions and bonuses payable to Employees of the Seller for services performed on or prior to the Closing Date have been paid in full (or accrued in full on the Interim Balance Sheet) and there are no outstanding agreements, understandings or commitments of the Seller with respect to any commissions, bonuses or increases in compensation. The Seller has no liabilities to any consultants or contractors (other than Seller Sales Representatives as set forth in Section 6.03 hereof) for which the Buyer would be liable.

(b) The Seller is not a party to, or bound by, any collective bargaining or other Contract with a labor organization representing any of its Employees, and there are no labor organizations representing, purporting to represent or, to Seller's Knowledge, attempting to represent any Employee of the Seller. There has never been, nor has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor activity or dispute affecting the Seller or any of its Employees.

(c) The Seller is and has been in compliance in all material respects with all applicable Laws pertaining to employment and employment practices, including all Laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, health and safety, workers' compensation, leaves of absence and unemployment insurance. All individuals characterized and treated by the Seller as consultants or contractors are properly treated as independent contractors under all applicable Laws. There are no Actions against the Seller pending, or to the Seller's Knowledge, threatened to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any current or former employee, consultant or independent

contractor of the Seller, including, without limitation, any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay or any other employment-related matter arising under applicable Laws.

(d) None of Seller's employees, former employees or Qualified Beneficiaries (as such term is defined under §4980B(g)(1) of the Code is currently receiving COBRA continuation coverage (as generally described in Code §4980B(f) or similar provisions of state law) or is in the COBRA election period but has not yet made a COBRA election.

Section 3.22 Taxes.

(a) All Tax Returns required to be filed by the Seller on or before the Closing Date have been timely filed, and such Tax Returns are true, complete and correct in all respects. All Taxes due and owing by the Seller (whether or not shown on any Tax Return) have been paid in full.

(b) The Seller has withheld and paid each Tax required to have been withheld and paid in connection with amounts paid or owing to any Employee, independent contractor, creditor, customer, shareholder or other party, and complied with all information reporting and backup withholding provisions of applicable Law.

(c) No claim has been made by any taxing authority in any jurisdiction where the Seller does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

(d) The Seller is not a party to any Action by any taxing authority. There are no pending or threatened Actions by any taxing authority.

(e) There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon the assets of the Seller.

Section 3.23 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of the Seller other than Certified Marketing Consultants, Ltd. The Seller acknowledges that it will be responsible for any fees or commissions due to Certified Marketing Consultants, Ltd.

Section 3.24 Full Disclosure. No representation or warranty by the Seller or the Owner in this Agreement or any other Transaction Document to which it or he is a party, and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to the Buyer pursuant to this Agreement or any other Transaction Document, contains any materially untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

Those items stated to the Seller's knowledge were provided to the extent of Seller's knowledge.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

The Buyer represents and warrants to the Seller that the statements contained in this Article IV are true and correct as of the date hereof.

Section 4.01 Organization and Authority of the Buyer. The Buyer is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Minnesota. The Buyer has full corporate power and authority to enter into this Agreement and the other Transaction Documents to which the Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Buyer of this Agreement and any other Transaction Documents to which the Buyer is a party, the performance by the Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby, have been duly authorized by all requisite corporate action on the part of the Buyer. This Agreement has been duly executed and delivered by the Buyer, and this Agreement constitutes a legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms. When each other Transaction Documents to which Buyer is or will be a party has been duly executed and delivered by the Buyer, such Transaction Documents will constitute a legal and binding obligation of the Buyer enforceable against it in accordance with its terms.

Section 4.02 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the articles of incorporation or other corporate documents of the Buyer; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice or other action by any Person under any Contract to which the Buyer is a party. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to the Buyer in connection with the execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

Section 4.03 Investment Purpose. The Buyer is acquiring the Purchased Assets solely for the purpose of investment and not with a view to, or for offer or sale in connection with, any distribution thereof. The Buyer acknowledges that the Purchased Assets are not registered under the Securities Act of 1933, as amended, and that the

Purchased Assets may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended, or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

Section 4.04 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of the Buyer.

Section 4.05 Sufficiency of Funds. The Buyer has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement.

Section 4.06 Legal Proceedings. There are no Actions pending or, to the Buyer's knowledge, threatened against or by the Buyer or any Affiliate of the Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise or serve as a basis for any such Action.

ARTICLE V CONFIDENTIALITY AND NON-COMPETITION

Section 5.01 Confidentiality. During the period commencing on the Closing Date and ending on the fifth anniversary of the Closing Date (the "Restricted Period"), the Seller, Buyer and the Owner shall hold, and shall use their reasonable best efforts to cause their respective Representatives (except employees or consultants) to hold, in confidence any and all information (whether written or oral) concerning the Buyer or the Purchased Assets and vendors, customers, or products related thereto, and the terms of the Transaction Documents, except to the extent that such Seller, Buyer, or Owner can show that such information (a) is generally available to and known by the public through no fault of the Owner, Buyer or the Seller; or (b) is lawfully acquired by the Owner, Buyer, or Seller, from and after the Closing from sources that are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation; (c) is used by Owner as requested in the scope of Owner's Consulting Agreement; (d) is requested from the Seller or the Owner by an officer or employee of Beacon; or (e) is required by law to be disclosed. If the Owner, Seller, or Buyer are compelled to disclose any information by judicial or administrative process or by other requirements of Law, such Owner, Buyer, or Seller shall promptly notify the other parties in writing and shall disclose only that portion of such information that such Owner, Buyer, or Seller is advised by its counsel in writing is legally required to be disclosed. The notified party may then pursue any legal recourse, including a protective order, that the notified party deems prudent at its own expense. Any confirmation outlined in paragraph 3(a) of the Consulting and Non-Competition Agreement from an Officer of Buyer that the requested disclosure will not violate this paragraph shall be conclusive proof of that fact. Owner shall not be

responsible for verification that the written instructions were from an actual Officer of Buyer.

Section 5.02 Non-competition. During the Restricted Period, neither the Owner nor the Seller shall, directly or indirectly, personally or on behalf of any other Person, (x) Participate in any Person that engages in any Restricted Business in the Territory; or (y) interfere with the business relationships (whether formed prior to or after the Closing Date) between the Buyer, on one hand, and any customer or supplier of the Seller or the Buyer, on the other hand. Notwithstanding the foregoing, the Owner may own, directly or indirectly, solely as an investment, securities of any Person traded on any national securities exchange if the Owner is not a controlling Person of, or a member of a group that controls, such Person and does not, directly or indirectly, own 5% or more of any class of securities of such Person.

Section 5.03 Non-Solicitation. During the Restricted Period, neither the Seller nor the Owner nor any Affiliate of the Seller or the Owner or any Person acting on behalf of or for the benefit of the Seller or the Owner, shall, directly or indirectly, hire, or solicit, any employee of the Buyer or encourage any such employee to leave such employment or hire any such employee who has left such employment.

Section 5.04 Remedies for Breach.

(a) If the Seller or the Owner breaches, or threatens to commit a breach of, any of the provisions of this Article V, the Buyer shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to Buyer under law or in equity:

(i) the right and remedy to have such provision specifically enforced by any court having jurisdiction, it being acknowledged and agreed that any such breach or threatened breach may cause irreparable injury to the Buyer and that money damages may not provide an adequate remedy to the Buyer; and

(ii) the right and remedy to recover from the Seller or the Owner, as applicable, all monetary damages suffered by the Buyer as the result of any acts or omissions constituting a breach of this Article V.

(b) The Seller and the Buyer acknowledge that the restrictions contained in this Article V are reasonable and necessary to protect the legitimate interests of the Buyer and constitute a material inducement to the Buyer to enter into this Agreement and consummate the transactions contemplated by this Agreement. In the event that any covenant contained in this Article V should ever be adjudicated to exceed the time, geographic, product or service, or other limitations permitted by applicable Law in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time,

geographic, product or service, or other limitations permitted by applicable Law. The covenants contained in this Article V and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

Section 5.05 Public Announcements. Unless otherwise required by applicable Law (based upon the reasonable advice of counsel), neither the Owner nor the Seller shall make any public announcements with respect to this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the Buyer. The Buyer may make public announcements with respect to this Agreement and the transactions contemplated hereby so long as the Buyer does not disclose the Purchase Price or other financial terms hereof.

Section 5.06 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

ARTICLE VI EMPLOYEES AND SALES REPRESENTATIVES

Section 6.01 Offers of Employment. The Buyer shall have the right (but not the obligation) to offer employment, commencing as of the Closing Date, to each active Employee of the Seller listed in Section 3.21(a) of the Disclosure Schedules (other than those of Seller's employees who are receiving payments under any long-term disability insurance plan and other than James R. Cimino), at such salary or hourly wages and benefits as the Buyer shall determine, in each case as a employee-at-will of the Buyer. Those Employees who accept the offered employment with the Buyer (other than those of Seller's employees who are receiving payments under any long-term disability insurance plan and other than James R. Cimino, collectively, the "Transferred Employees") shall terminate their employment with the Seller as of the Closing Date. The Buyer shall assume all of the Assumed Employee Liabilities with respect to such Transferred Employees. Any Employee who declines the offered employment with the Buyer, or to whom the Buyer does not offer employment, shall be deemed a "Non-Transferred Employee" hereunder.

Section 6.02 Responsibility Post-Closing.

(a) At all times after the Closing Date, the Buyer shall be solely responsible for determining whether to continue the employment of any Transferred Employee, to offer employment to any Transferred Employee in another capacity or to terminate any

Transferred Employee. The Buyer will be liable for the cost of any severance benefits due to any such Transferred Employee under any agreement with such Transferred Employee or as otherwise required by Law. Under no circumstances will Owner or Seller be responsible for any liability to any Transferred Employees as the result of any act or omission occurring after the Closing or as the result of the relationship between such Transferred Employee and the Buyer, as said liability will be solely the responsibility of Buyer.

(b) The Seller shall be responsible for any severance obligations to any Non-Transferred Employees, and for any obligation arising under applicable Law to offer health care continuation coverage under COBRA to any Non-Transferred Employees, and shall indemnify and hold the Buyer harmless against any liability for such severance and/or health care continuation coverage obligations.

(c) The Seller shall keep all health insurance plans currently in effect for all Transferred Employees, and shall continue all health insurance benefits offered thereunder, for all Transferred Employees until December 31, 2011. The Buyer will pay all health insurance premiums payable by the Seller under Seller's current health insurance plan with respect to all Transferred Employees through December 31, 2011 (or will pay the amount of such premiums to the Seller prior to the date on which such premium payments are due from the Seller under the Seller's health insurance plans if the Buyer is not permitted to make such premium payments directly).

Section 6.03 Sales Representatives. Within ten days following the Closing, the Buyer shall offer each Seller Sales Representative a contract substantially in the form set forth in Exhibit A of this Agreement at the commission and bonus rate and for the same territory as are in such Seller Sales Representative's current Seller Sales Representative Agreement (each new such contract, a "New Sales Rep Agreement"). The term of each such New Sales Rep Agreement shall be for a period of no less than ninety (90) days with the exception of the New Sales Rep Agreement offered to Shawna Tickle, the term of which will expire on December 31, 2011. The Buyer shall be liable for any and all amounts due any Seller Sales Representative at any time on or after the Closing Date under any New Sales Rep Agreement entered into by the Buyer with such Seller Sales Representative and for commissions earned by Seller Sales Representatives for sales occurring after September 30, 2011, whether or not such Seller Sales Representatives enter into a New Sales Rep Agreements with the Buyer. Under no circumstances will the Owner or the Seller be responsible for any liability to any Seller Sales Representative under any New Sales Rep Agreement.

Section 6.04 Employee Benefits. The Buyer shall not assume any Benefit Plans of the Seller.

ARTICLE VII INDEMNIFICATION

Section 7.01 Survival. If any party to this Agreement has a claim for indemnification under this Article VII (each a “Party Claim”), written notice thereof shall be provided to any party from which indemnification is sought relating to any alleged breach or inaccuracy in the representations and warranties made (A) in Sections 3.20, 3.21, 3.22 or 3.23, within four (4) years of the Closing Date, (B) in Sections 2.03(b), 5.01, 5.02, 5.03 or 5.04 within five (5) years of the Closing Date, (C) in Sections 3.01, 3.02, 3.03, 3.04, 3.05, 3.10, 4.01, 4.02 or 8.11, at any time after the Closing Date, regardless of whether this Agreement is then in force, and (D) in all other cases, within two (2) years of the Closing Date; provided, however, that the determination by any court of competent jurisdiction that the Section 8.11 or any portion thereof is invalid or unenforceable shall not be deemed a breach of this Agreement by the Seller, the Owner or the Buyer. The party from which indemnification is sought shall have no liability or obligation under this Article VII unless the written Party Claim notice outlined in this Section 7.01 is received by the date specified. The written notice outlined in this Section 7.01 shall state in reasonable detail the specific basis for the indemnification claim, and the amount of the loss claimed to the best of the claimant’s knowledge.

Section 7.02 Indemnification By Seller. The Owner and the Seller (collectively, the “Seller Indemnifying Parties”) shall, in accordance with the provisions of Section 7.01, jointly and severally indemnify and defend the Buyer against, and shall hold the Buyer harmless from and against, and shall pay and reimburse the Buyer for, any and all Losses (but only those Losses) incurred or sustained by, or imposed upon, the Buyer based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of either of the Seller Indemnifying Parties contained in this Agreement or in any certificate or instrument delivered by or on behalf of any Seller Indemnifying Party pursuant to this Agreement, as of the date such representation or warranty was made (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by either of the Seller Indemnifying Parties pursuant to this Agreement.

Section 7.03 Indemnification By Buyer. The Buyer shall, in accordance with the provisions of Section 7.01, indemnify and defend each of the Seller, and the Owner against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses (but only those Losses) incurred or sustained by, or imposed upon, the Seller or the Buyer based upon, arising out of, with

respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of the Buyer contained in this Agreement or in any certificate or instrument delivered by or on behalf of the Buyer pursuant to this Agreement, as of the date such representation or warranty was made (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Buyer pursuant to this Agreement.

Section 7.04 Indemnification Materiality. For purposes of this Article VII, any inaccuracy in or breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

Section 7.05 Indemnification Procedures. The party making a claim under this Article VII is referred to as the "Indemnified Party", and the party against whom such claims are asserted under this Article VII is referred to as the "Indemnifying Party".

(a) Third Party Claims.

(i) If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "Third Party Claim") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party.

(ii) If the Indemnifying Party is the Buyer, the Buyer shall have the right to participate in, or by giving written notice to the Seller and the Owner, to assume the defense of any Third Party Claim at the Buyer's expense and by the Buyer's own counsel, and the Seller, the Owner and the Indemnified Party shall cooperate in good faith in such defense; provided, that the Seller Indemnifying Parties shall not have the right to defend or direct the defense of any such Third Party Claim that (x) is asserted directly by or on behalf of a Person that is a supplier or customer of the Buyer, or (y)

seeks an injunction or other equitable relief against the Indemnified Party. If the Indemnifying Party is the Seller and/or the Owner, the Seller Indemnifying Parties shall have the right to participate in, or by the Seller Indemnifying Parties giving written notice to the Buyer, to assume the defense of any Third Party Claim at the Seller Indemnifying Parties' expense and by the Seller Indemnifying Parties' own counsel, and the Indemnified Party shall cooperate in good faith in such defense. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 7.05(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it, in the case of the Buyer, or by the Seller, in the case of the Seller, subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, *provided, that* if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may, subject to Section 7.05(b), pay, compromise or defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. The Seller, the Owner and the Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available (subject to the provisions of Section 5.01) records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) Settlement of Third Party Claims. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 7.05(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim

shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 7.05(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(c) Direct Claims. Any Action by an Indemnified Party on account of a Loss that does not result from a Third Party Claim (a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable with respect to the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Indemnified Party's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

Section 7.06 Payments. Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this Article VII, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such final, non-appealable adjudication, by wire transfer of immediately available funds. The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such 15 Business Day period, any amount payable shall accrue interest from and after the date of adjudication of the Indemnifying Party or final, non-appealable adjudication to the date such payment has been made at the maximum rate allowed by law.

Section 7.07 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

Section 7.08 Exclusive Remedies. The parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant, agreement or other obligation set forth herein or otherwise relating to the subject matter of this Agreement shall be pursuant to the indemnification provisions set forth in this Article VII. If the parties are unable to resolve the matter within sixty (60) days after any Party Claim outlined in Section 7.01 has been served, the party serving the Party Claim has ninety (90) days after such Party Claim has been served to commence a legal proceeding through the service of a Summons and Complaint. Nothing in this Section 7.08 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall otherwise be entitled under Sections 5.04 and 8.12 within the time periods set forth in Section 7.01 and this Section 7.08.

Section 7.09 Set-Off. Neither party shall have any right to withhold or set off any amount owed to the other party under the terms of any of the Transaction Documents.

ARTICLE VIII MISCELLANEOUS

Section 8.01 Use of the Seller Name. Within twenty (20) days of the Closing, the Seller agrees that it shall submit the necessary documents to effectuate a change its name to a name other than “Canyon Outback Leather Goods” or any derivation thereof. Effective as of the Closing Date, the Seller shall cease and discontinue all uses of (i) the “Canyon Outback Leather Goods” and any derivation thereof, either alone or in combination with other words, and (ii) all trademarks, service marks, trade dress, trade names, corporate names, logos and slogans (and all translations, adaptations, derivations and combinations of the foregoing) and Internet domain names that are part of the Purchased Assets.

Section 8.02 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 8.03 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the

following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.03):

If to Seller or the Owner: James R. Cimino
916 S. State Street
New Ulm, MN 56073

with a copy to: Jared D. Peterson
Berens, Rodenberg & O'Connor, Chtd.
519 Center Street
PO Box 428
New Ulm, MN 56073-0428

Facsimile: 507-354-7297
E-mail: jdp@brolaw.com

If to Buyer: Beacon Promotions, Inc.
2121 S. Bridge Street
New Ulm, MN 56073
Attention: Gary Haley
Facsimile:
E-mail: ghaley@beaconpromotions.com

with a copy to: Beacon Promotions, LLC
c/o Bounds Equity Partners, LLC
595 Elm Place, Suite 202
Highland Park, IL 60035
Attention: Mark A. Bounds
Facsimile: 847-463-1069
E-mail: mab@boundsequity.com

Section 8.04 Interpretation. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (i) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder and (iv) to the singular

form of a defined term shall include the plural and vice versa. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 8.05 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 8.06 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, 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 a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.07 Entire Agreement. This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 8.08 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that the Buyer or the Seller may assign or pledge its interest in this Agreement as collateral in connection with any secured indebtedness incurred by the Buyer, the Seller, or any of their Affiliates, and the Seller may assign this Agreement to the Owner, to any trust for the benefit of the Owner or the spouse or lineal descendants of the Owner or to any successor entity to the Seller. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 8.09 No Third-party Beneficiaries. Except as provided in Sections 6.02, 7.02 and 7.03, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.10 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver with respect to any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 8.11 Governing Law; Submission to Jurisdiction.

(a) **This Agreement shall be governed by and construed in accordance with the internal laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule (whether of the State of Minnesota or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Minnesota.**

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY SHALL BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED WITHIN THE STATE OF MINNESOTA, OR THE COURTS OF THE STATE OF MINNESOTA LOCATED IN HENNEPIN COUNTY, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND EACH SUCH PARTY THEREFORE IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (ii) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) SUCH PARTY MAKES THIS

WAIVER VOLUNTARILY, AND (iv) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.11(c).

Section 8.12 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 8.13 Bulk Transfer Laws. The Buyer and the Seller hereby waive compliance with the provisions of any applicable bulk transfer laws of any U.S. jurisdiction.

Section 8.14 Transfer Taxes. The Seller and the Buyer shall each pay one half of all transfer, documentary, sales, use, stamp, registration, value added and other such transfer Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents. Each party shall, at its own expense, timely file any Tax Returns or other documents with respect to such Taxes or fees (and the other party shall cooperate with respect thereto as necessary).

Section 8.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

* * * * *

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

SELLER:


Canyon Outback Leather Goods, Inc.

By: 

Name: James R. Cimino

Title: President

OWNER:


James R. Cimino

BUYER:

Beacon Promotions, Inc.

By: _____

Name: Gary Haley

Title: President

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

SELLER:

Canyon Outback Leather Goods, Inc.

By _____

Name: James R. Cimino

Title: President

OWNER:

James R. Cimino

BUYER:

Beacon Promotions, Inc.

By: _____

Name: Gary Haley

Title: President

EXHIBIT A

SALES REPRESENTATION AGREEMENT

This SALES REPRESENTATION AGREEMENT (“Agreement”) is made effective as of the __day of October, 2011 (“Effective Date”), by and between Beacon Promotions, Inc., a Minnesota corporation (“Beacon”), having an address at 2121 Bridge Street, New Ulm, Minnesota, 56073, and [], a(n) [Promotional Product] (“Representative”), having an address at [_____].

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Engagement of Services.** Representative shall serve as one of Beacon’s sales representatives and shall promote sales and solicit orders for Beacon’s business leather good products as outlined in the Canyon (as defined in Section 24 below) catalog. Representative shall use commercially reasonable efforts to market and sell such products. Representative shall devote sufficient time, attention and knowledge necessary to discharge its duties under this Agreement. Nothing contained in this Agreement shall be interpreted nor construed as granting Representative any exclusive representation rights of any kind, type or nature, other than as outlined on Exhibit A.

2. **Compensation, Invoicing and Payment.** No Sales (as hereinafter defined) or order(s) for services or products shall be binding on Beacon until they are authorized and accepted, in writing, by an authorized Beacon representative. Beacon retains complete control over the terms and conditions of any Sale. Beacon shall have the right to refuse any orders obtained by Representative if, in the sole discretion of Beacon, warranties, directions or representations have been made contrary to the requirements of this Agreement or if payment for Beacon’s products is subject to unreasonable risk. Such refusal must be communicated to Representative within three (3) business days from receipt of order at Beacon’s customer service department in New Ulm, MN. Beacon agrees to pay to Representative as compensation for the services and obligations performed pursuant to this Agreement the amount described on Exhibit B. It is agreed that rates of commission shall be considered confidential and, as a result, such rates will not be discussed with or disclosed to customers or other outside parties. Commission payments to the Representative will be made on Sales accepted by Beacon each month and paid by check or direct deposit to the Representative on or before the 15th day of the following month.

“Sales” shall mean those orders from accounts or customers placed and accepted by Beacon during the Term (as hereinafter defined) of this Agreement and that are not sales to accounts or customers of Beacon that are listed on Exhibit C.

3. **Support.** Beacon shall provide literature and samples as necessary, in Beacon's sole discretion, to facilitate and support sales and marketing efforts (i.e. listings, brochures, statement of capabilities, etc.). Further, Beacon will provide necessary resources, in Beacon's sole discretion, to service those customers that are contacted by Representative (i.e. quotation response, technical support, order status information, etc.). Representative shall not furnish printed materials that contain representations or directions for use of Beacon's products, unless the printed materials have been prepared and published by Beacon or unless Beacon has approved the materials in writing.
4. **Performance by Representative.** Representative agrees that it will use commercially reasonable efforts to fulfill its obligations under this Agreement to new and existing Beacon accounts. At all times while rendering services hereunder, Representative shall conduct itself in a professional manner and shall hold itself out in a manner which shall not injure the reputation and financial success of Beacon. Representative shall not employ or otherwise utilize any agents, subcontractors or third-parties to fulfill its obligations under this Agreement, without the prior written consent of Beacon.
5. **Covenants of Representative.**
 - (a) Representative shall not make representations or promises with respect thereto that have not been approved by Beacon. Representative shall not quote pricing, offer discounts, provide free set-up, freight or packaging, settle disputes, or authorize returns or allowances without Beacon's prior written consent.
 - (b) Beacon will be responsible for all expenses incurred in the display of Beacon's products at national and regional trade shows that have been preapproved by Beacon. These expenses include show registration for floor space, pre-show deposits for space, inbound/outbound freight for booth structure, product samples and other incidentals such as electricity, etc.
 - (c) When Beacon's products are shown by Representative in a booth with other lines represented by Representative, pre-approved show expenses as detailed above in paragraph 5(b) will be prorated by space required per product line. Representative will submit an invoice to Beacon for prorated pre-show expenses such as registration and space rental. Other appropriate show expenses will be prorated and invoiced to Beacon after the show and when all expenses have been finalized.
6. **Term and Termination.** Unless earlier terminated, the term of this Agreement shall be the time period commencing as of the Effective Date, and ending ninety days thereafter (the "Term"). Except for the payment of compensation earned

prior to the effective date of termination, this Agreement will, from and after the termination, be null and void and of no further force and effect.

- (a) Beacon may terminate this Agreement (x) at any time and for any reason upon thirty (30) days written notice to Representative, or (y) immediately upon written notice to Representative if Representative: (i) files or has filed against it a petition in bankruptcy, makes an assignment for the benefit of its creditors, or becomes or is found by a court of competent jurisdiction to be insolvent; (ii) materially impairs Beacon's good will or reputation; (iii) voluntarily abandons Beacon's business as determined by a totality of the circumstances; or (iv) is convicted or pleads guilty or no contest to a felony or other crime involving moral turpitude.
 - (b) Upon termination of this Agreement, Representative shall immediately return to Beacon all unused sales materials, samples, and other property of Beacon that is in the possession of Representative.
 - (c) In the event of a termination of this Agreement, Representative shall be entitled to receive compensation for all Sales: (a) which are placed by a customer and accepted by Beacon prior to the effective date of termination; and (b) invoiced on or before the end of the third (3rd) full calendar month following the effective date of termination. Any Sales made or accepted after the effective date of termination or invoiced more than three (3) full calendar months following the termination date, regardless of the source, shall not be subject to any payments, even if such Sales were the partial or total result of the actions and activities of Representative hereunder.
7. **Warranties.** All liability and warranty terms and conditions shall be negotiated between Beacon and its customers and/or accounts directly. In no event does Beacon, nor will Beacon, warrant or guaranty, in any manner, any product for any specific use. All users of any product produced by Beacon are solely responsible for assuring that such product is compatible for or with the specific intended use, including performing any and all tests to ensure compatibility, as well as communicating the correct specifications for any such part or product to Beacon.
8. **Accounts Receivable.** Beacon will be fully responsible for accounts receivable for all Sales made pursuant to this Agreement; however, Representative agrees, if requested, to assist with routine communications with customers and to provide any other reasonably requested activities or services with regard to such accounts receivable.
9. **Expenses.** Representative shall be solely responsible for any and all expenses he/she may incur, in any manner as a result of its activities undertaken pursuant to this Agreement, including, but not limited to, telephone, fax, and all travel and entertainment costs. Except for the payment of any compensation as outlined herein, Beacon shall have no obligation for the payment of any other sums to

Representative as a result of this Agreement and/or Representative's actions hereunder.

10. **Independent Contractor Relationship.** Representative's relationship with Beacon is that of an independent contractor, and nothing in this Agreement is intended to or nor shall it be construed to, create a partnership, agency, joint venture or employment relationship. Representative shall not be entitled to any of the benefits which Beacon may make available to its own employees, including, but not limited to, group health or life insurance, profit-sharing or retirement benefits. **Representative is not authorized to make any representation, contract or commitment on behalf of Beacon unless specifically requested or authorized to do so by an authorized Beacon representative.** Representative is solely responsible for, and will file, on a timely basis, all tax returns and payments required to be filed with, or made to, any federal, state or local tax authority with respect to the performance of services and receipt of compensation under this Agreement.
11. **No Conflict of Interest.** During the term of this Agreement, Representative will not accept work or enter into an arrangement with respect to any competitive product other than those listed on Exhibit A. Representative warrants that, to the best of its knowledge, there is no other contract or duty on Representative's part which conflicts with or is inconsistent with this Agreement.
12. **Successors and Assigns.** Representative may not subcontract or otherwise delegate its obligations under this Agreement without Beacon's prior written consent. Subject to the foregoing, this Agreement will inure to the benefit of Beacon and its successors and assigns.
13. **Notices.** All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when delivered personally to the recipient, (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), (c) three (3) business days after posting in the national mail having been mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, or (d) when sent via facsimile if a copy is delivered personally, couriered or mailed to the recipient as set forth above. Such notices, demands and other communications shall be sent to the parties at the addresses indicated below:

For Beacon:

Beacon Promotions, Inc.
2121 Bridge Street
New Ulm, MN 56073
Attn: _____

For Representative: _____

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

14. **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of law principles thereof. The parties agree that they shall be estopped from raising any defense or claims regarding venue, including any conflicts of laws provisions to which any party would otherwise be entitled.
15. **Jurisdiction.** In the event of any dispute or controversy arising under or in connection with this Agreement, Representative and Beacon hereby irrevocably consent to a court of competent jurisdiction, and located in Chicago, Illinois.
16. **Severability.** Should any provisions of this Agreement be held by a court of law to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.
17. **Waiver.** The waiver by Beacon of a breach of any provision of this Agreement by Representative shall not operate or be construed as a waiver of any other or subsequent breach by Representative. The waiver by Representative of a breach of any provision of this Agreement by Beacon shall not operate or be construed as a waiver of any other or subsequent breach by Beacon. Any waiver by either party shall be in writing and signed by the party waiving the performance that is the subject of such waiver.
18. **Waiver of Jury Trial.** REPRESENTATIVE AND BEACON EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS THAT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (ORAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR REPRESENTATIVE AND BEACON ENTERING INTO THIS AGREEMENT.
19. **Compliance with the Law.** Both parties hereto agree that if the payment of any compensation or any other provisions of this Agreement becomes violative of any law, including, but not limited to, federal, state or local taxation laws, rules or regulations, the parties shall negotiate, in good faith, revisions in the terms of this Agreement such that the purpose for the Agreement and the benefits contemplated to be obtained by both parties shall be preserved to the greatest extent practicable. The parties further agree that in the event that compliance with the law

substantially precludes the purposes for which this Agreement has been made, then this Agreement may be terminated by either party.

20. **Legal Fees.** If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to any other relief to which the party may be entitled.
21. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The terms of this Agreement will govern all services undertaken by Representative for Beacon. This Agreement may only be changed by mutual agreement of authorized representatives of the parties made in writing.
22. **Counterparts.** This Agreement may be executed in one or more counterparts each of which when taken together shall constitute one and the same Agreement.
23. **Confidentiality.** At all times during the Term of this Agreement and for ten (10) calendar years after either the expiration of the Term of this Agreement or the earlier termination of the same, Representative agrees it will: (i) hold all Confidential Information (as hereinafter defined), in the strictest of confidence and will not, without the prior written authorization of an officer of Beacon, release any Confidential Information regarding Beacon to any third-party; (ii) use any Confidential Information in any manner except to present price quotations to potential customers of Beacon; and (iii) in no event or at any time will it use any Confidential Information to compete directly or indirectly with Beacon or permit any third party to compete, directly or indirectly, with Beacon. As used in this Agreement, "Confidential Information" shall include, but will not be limited to, information of any type, nature or kind, related to or describing any portion of Beacon's business or its products and services, or any information concerning Beacon's business, customers, products, pricing, vendors, employees, consultants, directors and officers. Confidential Information shall not mean or include any information known to Representative prior to its disclosure by Beacon to Representative (and not known to the Representative as a result of a violation of this Agreement or any other confidentiality agreement), generally known to third parties prior to the disclosure by Beacon to Representative, or published by Beacon prior to disclosure by Beacon to Representative. Representative agrees that should this Agreement be breached, money damages alone would be inadequate compensation and, therefore, any court of competent jurisdiction may also enjoin the breaching party from disclosing or utilizing Confidential Information encompassed by this Agreement. Representative further agrees that the foregoing restrictions shall be binding upon it and its permitted employees and agents, if any.

24. **Release.** Other than the obligation to pay commissions due for Sales invoiced by Canyon (as defined herein) after October 1, 2011 (which obligations have been assumed by Beacon in connection with Beacon's purchase of substantially all of the assets of Canyon), as consideration for its engagement hereunder, Representative hereby releases and forever discharges Beacon, Canyon Outback Leather Goods, Inc. ("Canyon") and each of their past and present officers, directors, employees and agents (individually, a "Releasee" and collectively, the "Releasees") from any and all claims, demands, actions, arbitrations, audits, hearings, investigations, litigations, suits (whether civil, criminal, administrative, investigative or informal), causes of action, orders and liabilities whatsoever, whether known or unknown, suspected or unsuspected, contingent or otherwise, both at law and in equity, of any kind, character or nature whatsoever ("Claims") which the Representative now has or has ever had or will have against the respective Releasees however arising and that relate in any way to (i) the Representative's engagement by Canyon pursuant to a sales representative/agency agreement (a "Canyon Agreement"), or (ii) Beacon's purchase of substantially all of the assets of Canyon. This release includes a release of, without limitation, all Claims (A) relating to a breach of a Canyon Agreement by any Releasee or (B) against Beacon under any theory of successor or assignee liability. The Representative understands and agrees that it is expressly waiving all Claims against the Releasees covered by this Section 24, including, but not limited to, those Claims that it may not know of or suspect to exist which, if known, may have materially affected the decision to provide this Agreement, and the Representative expressly waives any rights under applicable law that provide to the contrary. Canyon and its past and present officers, directors, employees and agents are intended third party beneficiaries of the release set forth in this paragraph.
25. **Miscellaneous.** This Agreement has been signed by duly authorized officers of both Representative and Beacon and upon execution by both parties shall become the legally binding and enforceable Agreement of each party enforceable against each in accordance with its terms.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have or have caused their authorized representatives to execute this Agreement as of the Effective Date.

BEACON:

Beacon Promotions, Inc.

By: _____

Its: _____

REPRESENTATIVE:

[Name]

EXHIBIT A

Territory; Exclusive Representation Rights

EXHIBIT B
Compensation

EXHIBIT C

Excepted Accounts; Customers

Schedule 1.01

Business Categories

Business Folders
Card Holders
Wallets/Travel Wallets
Wallets/Checkbooks
Keychains/ID Holders
Small Leather Goods
Briefcases
Wheeled Luggage
Garment Bags
Travel Accessories
Duffels/Tool Bag/Work Gloves
Jackets
Backpacks
Handbags/Slings/Totes
Shooting Accessories
Camera/Photo
Belts
Camo material products

Note: Examples of all products listed in this Schedule 1.01 are shown in the Seller's 2011 sales catalogs.

Schedule 2.02
Excluded Assets

2005 Chevrolet Tahoe VIN# 1GNEK13T85R226986

Boats located on premises

Oak tables

Wood entertainment center-type shelving

Personal property of Owner, including photos

Schedule 2.03(a)(i)

Assumed Contracts

Commercial Lease Agreement between Trixie Enterprises, LLC, and Canyon Outback Leather Goods, Inc., dated as of November 1, 2010.

Licensing Agreement between Canyon Outback Leather Goods, Inc., and Licensing Resource Group, dated as of June 20, 2011.

Retail Products License agreement between Canyon Outback Leather Goods, Inc. and Collegiate Licensing Company, dated as of May 20, 2011.

License Agreements to Use Licensed Indicia of Member Universities between Canyon Outback Leather Goods, Inc., and Strategic Marking Affiliates, Inc. dated as of January 5, 2010, and January 5, 2011.

Trademark License Agreement dated as of June 2, 2010, between Canyon Outback Leather Goods, Inc., and Jordan Outdoor Enterprises, Ltd.

Schedule 2.03(b)(ii)

Assumed Accounts Payable

\$116,641.71 per the attached.

Canyon Outback Leather Goods

*** AGED A/P SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Vendor Name: First to Last
G/L payables account: All

Aging by invoice date

Vendor	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
ADMART	Unlimited	436.40					436.40
ADVANC	Unlimited	3,830.55	2,648.80				6,479.35
ASITRA	Unlimited	1,740.00	4,970.00				6,710.00
AFLAC	Unlimited	184.48					184.48
SUPERH	Unlimited	462.40		3,672.50	-3,837.50	2,588.69	2,886.09
BERENS	Unlimited		1,684.25				1,684.25
CAPAM	Unlimited	10.00					10.00
COMCAS	Unlimited	169.60	152.70				322.30
CULLIG	Unlimited		171.54				171.54
ECHO	Unlimited	736.36					736.36
EXPED	Unlimited	8,409.03	9,565.98				17,975.01
FEDERA	Unlimited	199.13					199.13
HAPPYJ	Unlimited					216.65	216.65
HASLER	Unlimited	207.77					207.77
HENANY	Unlimited					358.25	358.25
HENANL	Unlimited					-707.00	-707.00
HENDER	Unlimited		16,116.23				16,116.23
IDEMAR	Unlimited			500.00			500.00
ARTI	Unlimited		250.00				250.00
KEMSK	Unlimited		540.40				540.40
KEMOSW	Unlimited		540.40				540.40
KNJU	Unlimited		68.50			-261.50	-193.00
KWIKTR	Unlimited	200.41					200.41
LAKEVI	Unlimited	335.08	196.65	150.31			682.04
BIEBLR	Unlimited		2,835.30				2,835.30
LEEWAJ	Unlimited					-1,192.50	-1,192.50
LINDYS	Unlimited		7.50				7.50
LISAP	Unlimited	89.24	209.81				299.05
LIVING	Unlimited	4,965.63	2,549.66				7,515.29
MANTRO	Unlimited		444.95				444.95
MASTER	Unlimited			182.50			182.50
MIKESC	Unlimited	32.00					32.00
NUCCOUN	Unlimited		32.00				32.00
NEWU03	Unlimited		270.82				270.82
NINGBO	Unlimited					-6,431.10	-6,431.10

Canyon Outback Leather Goods

*** AGED A/P SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Vendor Name: First to Last
G/L payables account: All

Aging by invoice date

Vendor	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
NORTHA	North American Security	Unlimited	80.53				80.53
NUDEC	NUDec, LLC	Unlimited	98.56				98.56
VIKING	Office Depot	Unlimited	614.01	485.10	551.84	176.00	1,650.95
OM LEATHER	OM Leather Artdeco	Unlimited				176.00	176.00
ARTDECO	Payment Remittance Center	Unlimited	909.08				909.08
CORPOR	PMANCM Membership	Unlimited	125.00				125.00
PMAANCM	PPAI The Expo	Unlimited	1,934.82				1,934.82
PPAI	Promotional Products	Unlimited	1,275.75				1,275.75
PPPC	QWEST	Unlimited	251.81			0.40	496.90
QWEST	Recall Trade Show Logistics	Unlimited	604.02				604.02
RECALL	Runnings Supply Inc.	Unlimited	42.04	10.16			52.20
RUNNIN	Savings, Inc.	Unlimited	739.33	1,529.24			2,268.57
SAVING	Shayds of Color	Unlimited	214.76				214.76
SHAYDS	Signature Logo Solutions	Unlimited	1,099.06				1,099.06
AWAPLU	Sprint PCS	Unlimited	245.91				487.86
SPRINT	State Farm Insurance	Unlimited	68.40				68.40
STATER	Uline	Unlimited	760.43	1,156.53			1,916.96
ULINE	United Parcel Service	Unlimited	5,534.24	2,237.56			7,771.80
UNITED	UPS Canada	Unlimited	117.61	47.51			165.12
UPSCAN	UPS Mail Innovations	Unlimited	146.01				146.01
UPSEXP	UPS Supply Chain Solutions	Unlimited	2,094.85	3,975.87			6,070.72
UPSCUS	US Bank	Unlimited	10,409.91				10,409.91
USBANK	US Postmaster	Unlimited	190.00				190.00
USPOSTMASTER	Vanguard Logistics Services	Unlimited	297.28				297.28
VANGUARD	Verizon Wireless	Unlimited	119.20				119.20
VERMIR	Walco Express	Unlimited	892.52				892.52
WALTCO	Wenzhou Prestige International Trade, Co. LTD	Unlimited				-2,735.20	-2,735.20
WENZHO	WF Business Direct	Unlimited	954.78				954.78
WFBUSINESS	WMM of Southern Minnesota MA	Unlimited	362.26				362.26
WMMOFSO	YRC Logistics Global LLC	Unlimited	467.74				467.74
YRC	Zhuji Xinyanguang Leather Dress Co. LTD	Unlimited	4,619.10	12,663.00		285.18	17,567.28
HANGXH							

** GRAND TOTAL **

39,369.49 83,269.60 4,990.41 -3,285.66 -7,702.13 116,641.71

Canyon Outback Leather Goods

*** AGED A/P SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Vendor Name: First to Last
G/L payables account: All

Aging by invoice date

Vendor	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
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END OF REPORT

Schedule 2.07

Purchase Price Allocation

(\$000's)

Cash purchase price	\$2,096,273	
Accounts payable	\$116,642	
Accrued other, taxes, etc.	\$45,000	(1)
Capitalized deal costs	\$60,000	(1)
	<hr/>	
Estimated total purchase consideration	\$2,317,915	
	<hr/> <hr/>	

Acquired Assets/Tax
Allocation

Gross accounts receivable less \$50,000 allowance	\$468,808	
Trade show deposit	15,470	
Gross inventories	\$1,833,637	(2)
	<hr/>	
Total Assets	\$2,317,915	
	<hr/> <hr/>	

(1) Estimated at close, corrected schedule with actual number to be provided by Buyer within 45 days of Closing

(2) Remainder allocated to this account

Schedule 3.01

Qualifications to Do Business

State of Minnesota

State of Texas (Non-Transferable Use Tax Permit)

Schedule 3.06

Financial Statements

Reviewed Financial Statements for Fiscal Years 2008, 2009 and 2010 – separately provided

Financial Statement for period ending August 31, 2011 – separately provided

Schedule 3.09(a)

Contracts

Commercial Lease Agreement between Trixie Enterprises, LLC, and Canyon Outback Leather Goods, Inc., dated as of November 1, 2010.

Employment Agreement between Canyon Outback Leather Goods, Inc. and Lisa Parker dated as of June 27, 2011.

Agreement between Canyon Outback Leather Goods, Inc. and Ken James/Tarpack regarding commission structure, dated as of June 26, 2011

Business Lending Confirmation Letter issued by Wells Fargo Bank on May 12, 2011, regarding a \$1,000,000 revolving line of credit

Licensing Agreement between Canyon Outback Leather Goods, Inc., and Licensing Resource Group, dated as of June 20, 2011.

Retail Products License agreement between Canyon Outback Leather Goods, Inc. and Collegiate Licensing Company, dated as of May 20, 2011.

License Agreement to Use Licensed Indicia of Member Universities between Canyon Outback Leather Goods, Inc., and Strategic Marking Affiliates, Inc. dated as of January 5, 2010, and January 5, 2011.

Trademark License Agreement dated as of June 2, 2010, between Canyon Outback Leather Goods, Inc., and Jordan Outdoor Enterprises, Ltd.

Agreement between Certified Marketing Consultants and Canyon Outback Leather Goods, Inc. Regarding representation of the Seller in connection with the transactions contemplated hereby.

Schedule 3.10(b)

Leased Real Property

Location: 2121 N. Broadway, New Ulm, MN 56073

Agreement: Commercial Lease Agreement dated as of November 1, 2010, between Trixie Enterprises, LLC and Canyon Outback Leather Goods, Inc.

Landlord: Trixie Enterprises, LLC

Rental amount: \$4,000 per month

Expiration date: July 31, 2017

Schedule 3.12(a)

Seller Intellectual Property

Canyon Outback Leather Goods, Inc. Trademark, US Patent & Trademark Office Registration
#3,523,810 – October 28, 2008

Schedule 3.12(b)

Licensed Intellectual Property Agreements

Trademark License Agreement dated as of June 2, 2010, between Canyon Outback Leather Goods, Inc., and Jordan Outdoor Enterprises, Ltd.

Licensing Agreement between Canyon Outback Leather Goods, Inc., and Licensing Resource Group, dated as of June 20, 2011.

Retail Products License agreement between Canyon Outback Leather Goods, Inc. and Collegiate Licensing Company, dated as of May 20, 2011.

License Agreement to Use Licensed Indicia of Member Universities between Canyon Outback Leather Goods, Inc., and Strategic Marking Affiliates, Inc. dated as of January 5, 2010, and January 5, 2011.

Schedule 3.14

Accounts Receivable

\$518,808.33, per the attached.

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
G/L receivables account: All

Aging by invoice date
Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
CBAMAS							
#567 CBA Master's College Bookstore	Unlimited	244.00			576.00		820.00
4IMPRI	Unlimited	1,914.00					1,914.00
5STAR	Unlimited	1,038.12					1,038.12
AAPROD	Unlimited	13.95					13.95
A & A Products and Packaging	Unlimited						
A Branovan Company	Unlimited					263.47	263.47
A&T RES	Unlimited					5.40	5.40
A&T Resources, Inc	Unlimited						
ABADOO	Unlimited	79.94					79.94
AB-AB Doo marketing	Unlimited						
ABBEYO	Unlimited	1,299.61					1,299.61
Above & Beyond Promotions Inc	Unlimited						
ACCGR0	Unlimited						
Accent Group	Unlimited						
ACCWES	Unlimited						
Accessories West Ltd	Unlimited						
MERIMP	Unlimited	5,787.13			17.35		5,804.48
Accolade Reaction	Unlimited						
ACRADV	Unlimited	-323.55					-323.55
ACR Advertising	Unlimited						
ACTAWA	Unlimited						
Action Awards	Unlimited					6.42	6.42
ACTSPE	Unlimited	5,809.00					5,809.00
Action Specialties	Unlimited						
ADCREA	Unlimited		7,809.94				7,809.94
AD CREATIONS	Unlimited		68.27				68.27
ADMADI	Unlimited	2,999.43					2,999.43
Ad Madison	Unlimited						
ADAMFG	Unlimited		160.87				160.87
Adams Fine Gifts	Unlimited						
ADCWES	Unlimited	57,843.15					57,843.15
ADCentives West	Unlimited						
ADDIMP	Unlimited						
Add Impact Inc.	Unlimited						
ADMAR	Unlimited		1,321.57			19.32	1,340.89
Admar Promotions Group	Unlimited						
ADTGBL	Unlimited	-37.58				44.33	6.75
AdTangables	Unlimited						
ADVCAR	Unlimited						
Advance Healthcare Shop	Unlimited						
ADGRRR	Unlimited	38.40	128.24			-73.57	32.66
Advanced Graphic Products, Inc	Unlimited						
ADV01	Unlimited	2,570.76					2,570.76
Advatures in Advertising Corp	Unlimited						
ADVPO2	Unlimited	-27.90	27.90				0.00
Advertising Premium Sales	Unlimited						
AIKDRU	Unlimited						
Aiken Drug Company	Unlimited						
ALANWI	Unlimited		1,180.31			352.09	1,236.33
Alan Williams	Unlimited						
ALASER	Unlimited						
Alaska Seigraphics	Unlimited						
ALLMYB	Unlimited		294.30				294.30
All My Best, Inc	Unlimited						
ALSPOR	Unlimited						
All Sports	Unlimited						
RIGHTT	Unlimited		35.26				35.26
All The Right Tools	Unlimited						
ALLWRA	Unlimited						
All Wrapped Up	Unlimited						
ALLURE	Unlimited						
Allure Promotional Sales	Unlimited						
ALUMNI	Unlimited	1,203.00	823.97			82.02	2,108.99
Alumni Hall	Unlimited						
AMEDIS	Unlimited	203.71					203.71
American Display Products Inc.	Unlimited						
AMEBUS	Unlimited						
American Solutions for Business	Unlimited						
ANNWER	Unlimited	-85.71	11.47				11.47
Ann Werne Stationers	Unlimited						

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
G/L receivables account: All

Aging by invoice date
Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
APIMAG	Unlimited	464.49					464.49
ARROSP	Unlimited	271.86				-165.30	106.56
ARTCOP	Unlimited	358.53					358.53
ASCCSS	Unlimited	165.65					165.65
AUGLEO	Unlimited		152.43				152.43
BSSHOW	Unlimited					390.79	304.69
BALLES	Unlimited			10.03			10.03
BARAWA	Unlimited					283.42	283.42
BAREFI	Unlimited	913.80					913.80
BARPHA	Unlimited			34.28	424.97		459.25
BARRYP	Unlimited		-46.25	46.25			0.00
BCGRAP	Unlimited					4,235.63	4,235.63
BENSUS	Unlimited					53.55	53.55
BIGBLU	Unlimited				868.31		936.97
BIGMTN	Unlimited				673.01		673.01
BIGGSP	Unlimited	966.54	570.80	118.76			1,656.10
BJENTR	Unlimited	727.55	364.26				1,091.81
BLUEBO	Unlimited				1,092.50		1,092.50
BLUSTR	Unlimited				-290.25		-290.25
BLUEGR	Unlimited	174.00					174.00
BMP	Unlimited	3,021.75					3,021.75
BOISES	Unlimited	703.00					703.00
BOOATU	Unlimited		1,042.35				1,042.35
BOUNET	Unlimited	103.67					103.67
BRADFA	Unlimited					2,881.97	2,881.97
BRACEN	Unlimited	1,138.60					1,138.60
BRAENG	Unlimited					-34.30	-34.30
BRITIN	Unlimited		20.00				20.00
IMMSAL	Unlimited		439.74			49.64	489.38
BRANDE	Unlimited					5.00	5.00
BRIANK	Unlimited					170.87	170.87
BRODEM	Unlimited	13,319.58					13,319.58
BROOKS	Unlimited	-328.87	364.75			-75.84	-267.20
BRO&10	Unlimited					-1,646.81	-1,646.81
BRWTPA	Unlimited				217.00		217.00
BRO&02	Unlimited		9.00				9.00
BRO&01	Unlimited				9.22		9.22

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
 G/L receivables account: All

Aging by invoice date
 Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
BROWN&	Unlimited						
BROSABE	Brown & Saenger	267.43				94.05	94.05
BRYADV	Bryan Advertising Company	Unlimited				267.43	267.43
BUTMAR	Butler Marketing Services	1,238.72	5,078.33	81.01	15.73	6,398.06	15.73
BYUIDA	BYU Idaho Bookstore	1,205.00	Unlimited			1,205.00	6,398.06
C&ESPE	C & E Specialties	Unlimited			-6.30		1,205.00
C&RSKI	C & R Ski & Outdoor	733.86	Unlimited				-6.30
C&SPRO	C & S Promotions	2,526.25	Unlimited				733.86
CDAWKI	C. Dawkins Associates Inc.	Unlimited	55.73				2,526.25
CASHOR	CA Short Co., Inc.	316.00	Unlimited				55.73
CALIBER	Caliber Image	Unlimited				102.15	316.00
CAMBOO	Campus Book Mart	282.06	239.18				102.15
CAMCLA	Campus Classics	2,141.72	2,140.99				521.24
CANARY	Canary Marketing, LLC	Unlimited	871.00				4,282.71
CAPABI	Capabilities	3,704.47	Unlimited				871.00
CAPMED	Capitol Medals	260.43	Unlimited				3,704.47
CARENT	Car Enterprises	114.30	Unlimited				260.43
CARBER	Carberry International Inc.	4,457.44	549.15				-10.73
CARIBO	Caribou Crestling	Unlimited					4,457.44
CARL&C	Carl & Carmen's	Unlimited					549.15
CARRERA	Cary Francis Group	4,032.89	1,783.44			373.13	373.13
CATMAR	Catalyst Marketing Inc.	48.82	Unlimited				373.13
CAVANA	Cavanaugh	Unlimited					5,816.33
CGAPRO	CGA Promotions	Unlimited	142.50				48.82
CHADDM	Chadd Marketing, Inc	Unlimited	22.27				3,294.12
CHARIS	Charisma Promotions	Unlimited					142.50
CHICHE	Chichester's Baconfield Pharmacy	184.11	Unlimited				22.27
CHIHOS	Children's Hospital Gift Shop	283.84	Unlimited				358.88
CHILKO	Chilkoot Promotions Ltd	Unlimited					358.88
CHURAS	Chura Sales Ltd.	160.66	Unlimited				76.39
ALVINM	Clayman Promotional Group, Inc.	Unlimited					3,753.08
COGPRO	Coggins Promotional Advtg.	10.80	Unlimited				3,753.08
COLBSC	Coley B's Custom Apparel	Unlimited					237.05
COLTRA	College Traditions, Inc.	466.27	Unlimited				-53.55
COLADV	Colonial Advertising	53.50	Unlimited				15.75
COMCOR	Communicorp, Inc.	1,852.03	Unlimited				466.27
COMED01	Competitive Edge LLC	317.06	Unlimited				53.50
							1,852.03
							-1,358.07

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
 G/L receivables account: All

Aging by invoice date
 Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
CON&AS	Unlimited	1,541.00					1,541.00
COPCON	Unlimited			144.33			144.33
CORPED	Unlimited	3,267.18					3,267.18
COEDGE	Unlimited					9.00	9.00
COGOLF	Unlimited	129.50					129.50
COR108	Unlimited	84.60					35.78
CORPIN	Unlimited						496.06
COTCAN	Unlimited						56.44
COTJOE	Unlimited						510.54
COULOO	Unlimited	510.54	148.15				1,899.15
COYOTE	Unlimited						1.00
CREADS	Unlimited	1.00					-238.05
CREATC	Unlimited	-238.05					6,163.17
CREEXP	Unlimited	6,163.17	74.25				0.00
CRIMAG	Unlimited	-74.25					-21.19
CMARKE	Unlimited	93.60					93.60
CREAME	Unlimited	-45.00	196.65				151.65
CRESPR	Unlimited	2.47					2.47
CRESTL	Unlimited	1,109.25					1,109.25
CRONMI	Unlimited	812.50					812.50
CROWNA	Unlimited		269.82				883.86
CSE	Unlimited		1,218.00				1,218.00
CUSADV	Unlimited						-89.55
CUSTCO	Unlimited	1,638.70					-89.55
CUSLOG	Unlimited	678.87					1,638.70
CUSPRM	Unlimited	263.70					678.87
CUSSPE	Unlimited	-132.30	1,984.15				263.70
DAPADV	Unlimited						3,939.82
DAQUN	Unlimited	1,213.21					-181.25
DAVEWO	Unlimited	93.67					-181.25
DAVMIC	Unlimited	1,020.16					4,693.14
DAVSTA	Unlimited		1,114.30				93.67
DAVISE	Unlimited		85.95				1,020.16
DBGPRO	Unlimited	-75.60					2,228.09
DEADPE	Unlimited		15.18				85.95
CLAYTO	Unlimited	319.06	128.10				-75.60
DEGPRI	Unlimited	-119.47	144.22				15.18
				26.25			362.34
							835.75
							24.75

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
G/L receivables account: All

Aging by invoice date
Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
DELMAR	Unlimited	1,695.36	350.00				2,045.36
DENCRA	Unlimited					55.77	55.77
DENVER	Unlimited		7.65				7.65
DEMAGR	Unlimited		1,959.82				1,959.82
DETACB	Unlimited	1,332.76					1,332.76
DETROI	Unlimited	601.00					601.00
DISTIN	Unlimited	-314.45	46.25				61.20
DONPAY	Unlimited					16.39	16.39
DONGRE	Unlimited					600.00	600.00
DOUGFR	Unlimited		-55.80				198.67
DRELIN	Unlimited					254.47	262.37
DUGANB	Unlimited					253.39	74.25
DYNADV	Unlimited	74.25					-23.81
ECOMPA	Unlimited	3,909.00					3,909.00
EAGREC	Unlimited	246.57				576.55	823.12
ELITEE	Unlimited		27.27				27.27
ELISPO	Unlimited					-903.61	-903.61
ELKCOR	Unlimited		39.15				39.15
EMBIMA	Unlimited	666.26					666.26
EMBWAR	Unlimited	112.50					112.50
EMBSCH	Unlimited					2,242.82	2,242.82
EXAIMA	Unlimited	32.40					32.40
EXSELE	Unlimited		-363.40				-363.40
EXPRO	Unlimited		18.67				18.67
FANOUT	Unlimited	1,994.97				1,188.80	3,183.77
FESTIV	Unlimited	199.02					199.02
FIRSIM	Unlimited	293.91					293.91
FLIMSP	Unlimited						6,157.83
FOLLET	Unlimited	3,831.48	6,157.83				8,178.82
FOPETE	Unlimited		71.50				71.50
FOUNTA	Unlimited						68.26
FREMAR	Unlimited					18.00	18.00
FRIEND	Unlimited	334.21					334.21
G&GOUT	Unlimited		75.60				75.60
GADARP	Unlimited					-0.01	-0.01
GALLAG	Unlimited						186.20
GEIGER	Unlimited	134.00	778.50				912.50

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
G/L receivables account: All

Aging by invoice date
Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
GELLPU	Unlimited			23.40			23.40
GECCOOP	Unlimited			-10.00			-10.00
GLSENT	Unlimited					8.55	8.55
GOPRMO	Unlimited	126.22					126.22
GOBBLE	Unlimited	13.00					13.00
GOLDEP	Unlimited		112.64				112.64
GOLEAG	Unlimited				-132.40		-132.40
JOHGOR	Unlimited		5.00	6.37			11.37
GOVPRO	Unlimited		84.85				84.85
GRADAT	Unlimited	697.13					697.13
GRAPRI	Unlimited					-249.75	-249.75
GRAICE	Unlimited	787.50					787.50
HALLS	Unlimited	1,455.11					1,455.11
LEEWAY	Unlimited	888.22					888.22
HAMMO	Unlimited	-47.80			47.80		0.00
HACADV	Unlimited	-775.50					-775.50
HARRYP	Unlimited	1,440.03	2,286.53				3,726.56
HARVEY	Unlimited		6,537.25				6,537.25
NETSHO	Unlimited	24.00	78.50		78.50		181.00
HELMIN	Unlimited	-216.22	216.22				0.00
HERICA	Unlimited		1,439.13				1,439.13
HERITA	Unlimited				-249.50		-249.50
HERMET	Unlimited			9.00		251.41	251.41
HOLLEY	Unlimited			112.05			112.05
HORPRO	Unlimited						
IDEGY	Unlimited	659.77					659.77
IMAGEW	Unlimited		122.80	3,875.13			3,997.93
IMAWOR	Unlimited			29.25			29.25
IMAGIN	Unlimited	19.80					19.80
IMSTHI	Unlimited		37.57				37.57
IMPADI	Unlimited		3,539.70				3,539.70
IMPP01	Unlimited	20.88					20.88
IMADSP	Unlimited		1,138.69				1,138.69
INCLOG	Unlimited	29.25					29.25
INDUUN	Unlimited	66.60					66.60
INFGRA	Unlimited				-16.20		-16.20
INFOCU	Unlimited					-165.50	-165.50

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
 G/L receivables account: All

Aging by invoice date
 Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
IP/TINM	Inman Promotional Team	Unlimited	7,239.01				7,239.01
INSPIR	Inspire Promotions, Inc.	Unlimited	-75.00	75.00			0.00
DIAHRE	Inspirus/ Diamond H Recognition, Inc.	Unlimited	915.00				915.00
INSTYE	Instyle Promotions	Unlimited	706.92				706.92
INTGPS	Integrity Products of Sarasota	Unlimited				49.68	49.68
INTERF	Interform Graphics	Unlimited		145.54			145.54
IPRMOU	ipromoteu	Unlimited		922.00		26.10	3,204.46
IRVING	Irving Kannett & Associates	Unlimited	2,256.36				95.62
ITSPRO	It's Promo Time LLC	Unlimited	95.62				350.00
IVEYFA	It's Promo Time LLC	Unlimited	350.00				350.00
J&LPRO	Ivey's Farm & Garden	Unlimited	233.73				233.73
JACKNA	J&L Promotions	Unlimited			33.75	-200.03	-166.28
JANCER	Jack Nadel International	Unlimited	262.25	13.50			155.75
STODIV	Jancer Group	Unlimited				96.75	96.75
JERHOL	Jason Whites Store Divided	Unlimited				10.96	10.96
JESPRO	Jerry Holder	Unlimited				450.00	450.00
JEWMMAR	JES Promotions	Unlimited				98.55	0.00
JEWMMHO	Jewelry Warehouse	Unlimited	5,940.47				5,940.47
JFBEAV	Jewelry Wholesale	Unlimited			-173.92		-173.92
JOESAL	JF Beaver Advertising	Unlimited	51.75			392.98	51.75
JOHNYT	Joe Salaja	Unlimited					392.98
JCSUBO	Johnny T-Shirt, Inc.	Unlimited	1,696.04				1,696.04
JONASS	Johnson C Smith Bookstore	Unlimited	644.22				644.22
JOSEPH	Jones Associates	Unlimited	27.90				27.90
K3PROM	Joseph W. Small Associates, In	Unlimited				895.74	895.74
KAESER	K3 Promotions	Unlimited		4,059.98			4,059.98
KALCOR	Kaesar and Blair Incorporated	Unlimited	1,188.62	36.55			1,225.17
KALMDE	Kalcorp Enterprises Inc.	Unlimited	429.53				429.53
KANKOL	Kalmar Design	Unlimited				-25.46	-25.46
KANSAM	Kansas Kollection	Unlimited	698.34				698.34
KARRHO	Kansas Sampler	Unlimited	6,480.00				6,480.00
KENWAL	Karen Hoover Marketing	Unlimited				55.65	55.65
KLIIMED	Ken Walters Promotions	Unlimited				471.01	471.01
KINILAS	Kil Media Inc.	Unlimited					4,550.24
KSTATE	Kingwood Laser Graphics	Unlimited	-2,260.30			-90.00	-2,350.30
KT&CO	K-State Superstore	Unlimited	419.84				419.84
KTCPRO	KT & Co.	Unlimited				160.00	160.00
	KTC Promotional Products, Inc.	Unlimited	399.71				399.71

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
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Aging by invoice date
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Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
KUBOOK	KU Bookstore	Unlimited					6,230.00
KUSKLU	Kustom Klubhouse	Unlimited					605.39
KUTTEG	Kutting Edge	Unlimited					2,399.42
L&RPRO	L & R Promotions/Setabag	Unlimited					32.73
LDNMMAR	Landmarketing Corporation	Unlimited					-9.67
MPHGRA	Landmarketing Corporation	Unlimited					799.79
LASIMA	Lasting Image	Unlimited	38.47				38.47
LIBERT	Liberty Promotional Products	Unlimited					875.00
LINEMP	Linda's Emporium	Unlimited					300.67
LINDESE	Lindsey Advertising Co	Unlimited	2,275.90				2,275.90
LIPICS	Lipic's Inc.	Unlimited					6.52
LOGOFL	Logoflex- Hardistin Inc	Unlimited					56.68
LOUHOT	Louisiana Hot Stuff	Unlimited					938.41
LOWEPR	Lowe Promotions	Unlimited	292.19				292.19
LSSA	LSSA Inc.	Unlimited					1,751.01
ELANTE	Luggage Logic	Unlimited					2,198.39
M DEN	M Den	Unlimited	2,043.27				498.49
MADASE	MADA Services Inc.	Unlimited					1,831.97
MARCC	Marc Apparel Co.	Unlimited					5,626.35
MARSAL	Marco Sales	Unlimited					363.27
MARKME	Mark McElreath	Unlimited	111.02				11.25
MARKST	Market Street #502	Unlimited					694.59
MARWOR	Marketing World Specialties	Unlimited					-66.15
MARKTX	Marketix Mississauga	Unlimited					755.19
MARRIN	Marrin Consulting Inc	Unlimited					1,621.55
MASINC	MAS Inc.	Unlimited					444.04
MIDS01	Master Brands / Midwest Sales	Unlimited					1,965.00
MBKCOR	MBK Corporate Promotions	Unlimited					1,372.13
MCCPRO	McCabe Promotional Advertising	Unlimited	135.90				135.90
MCMILL	McMillin's	Unlimited					432.05
MEDIAC	Media Core Marketing Inc	Unlimited					591.45
MELLIN	Mellin Promotional	Unlimited					154.39
MEMADV	MEM Advertising	Unlimited					24.36
MERINK	Mercer Ink Promotions	Unlimited	-24.75				0.00
MERRYVC	Merry Christmas And Clowns	Unlimited					24.75
METMAR	Metromedia Marketing LTD.	Unlimited					27.90
MGPRM	MG Promotions, LLC	Unlimited	20.70				28.02
							360.29
							1,018.50
							1,018.50
							2,053.51

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

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Aging by invoice date
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Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
MIKEYS	Unlimited	120.45					120.45
MIDSTO	Unlimited		1,040.42				1,040.42
MIKDOY	Unlimited					-87.80	-87.80
MIMACO	Unlimited					240.00	240.00
MIRABE	Unlimited	53.55					53.55
MISSTI	Unlimited	663.02					663.02
MOOCLO	Unlimited			-137.08			-137.08
MORETH	Unlimited				-204.89	204.89	0.00
MORENT	Unlimited					8.55	8.55
MOTION	Unlimited					2,238.22	2,238.22
MPCPRO	Unlimited	343.34					343.34
MTMUOS	Unlimited	344.00					344.00
NAPERV	Unlimited		151.79				151.79
NATAWA	Unlimited				0.25		0.25
NEPM	Unlimited	-46.57	46.57				0.00
NEWTON	Unlimited	4,669.65	97.55				4,767.20
NICTOG	Unlimited					-9.50	-9.50
NORCEN	Unlimited	-1,541.90					-1,541.90
NOTSTA	Unlimited	1,312.55	911.76				2,224.31
NYUBOO	Unlimited	322.25					322.25
OCTANN	Unlimited	775.58	250.79				1,026.37
ONLSPO	Unlimited	594.75	447.76				1,042.51
ONYX	Unlimited		303.96	6,056.92			6,360.88
PACQ	Unlimited		-112.05	112.05			0.00
PAPEXP	Unlimited	149.85					149.85
PEMBRA	Unlimited	361.19					361.19
PENNPR	Unlimited		32.68				32.68
PERRDE	Unlimited				110.25		110.25
PEREXP	Unlimited			226.00	237.96		463.96
PHOMAR	Unlimited					249.08	249.08
PIEBAS	Unlimited	2,885.33					2,885.33
PIERRE	Unlimited		1,024.87				1,024.87
PLATGR	Unlimited	314.09					314.09
POPSOL	Unlimited	-233.85	75.00				-158.85
POWYOU	Unlimited					881.05	881.05
PREPLU	Unlimited	385.14					385.14
PRINCU	Unlimited	721.00					721.00

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

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Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
PRINTR	Print Resources, Inc.	Unlimited	40.50				40.50
PRINTW	Printwear Graphics	Unlimited					-203.00
PROCOR	Pro Corp Images	Unlimited	-0.02				-0.02
PROSPE	Pro Specialties Group, Inc.	Unlimited	417.27				417.27
PREOMA	PROforma Forsythe Marketing	Unlimited				10.12	10.12
PROGWM	PROforma Good Wood Marketing	Unlimited					524.48
PRGRAX	Proforma Graphix Unlimited	Unlimited	524.48				875.73
PROFPP	Proforma Park Place	Unlimited	93.60				-30,830.50
PROF&P	Proforma Printing & Promotion	Unlimited	-30,830.50				6.30
PREPRM	Proforma Progressive Marketing	Unlimited					111.15
PRPRGR	Proforma Promographix	Unlimited	87.50				87.50
PROGCO	ProGraphics Communications, LLC	Unlimited					67.45
PROMKT	Promo Advantage Marketing Grp	Unlimited					991.67
PRMDET	Promo Depot-/Match Point Marketing-32216	Unlimited	991.67				76.50
PROMOC	Promoco Inc.	Unlimited	76.50				10.00
PROMOS	PromosShop	Unlimited	10.00				587.00
PRBUYG	Promotional Buying Group	Unlimited	587.00				3,914.04
PROCCO2	Promotional Consultants, Inc.	Unlimited					16.20
PRODD01	Promotional Designs, Inc.	Unlimited	16.20				24.75
THEEXE	Promotional Planners, Inc.	Unlimited	24.75				18.90
PPAMS	Promotional Products Association of the Mid-South	Unlimited	18.90				392.02
PMPOPD	Promotional Products Co. Inc	Unlimited					119.00
PURDUE	Purdue University Spirit	Unlimited	119.00				1,759.07
PUREMA	Pure Marketing Group	Unlimited	1,759.07				-41.85
RJYOUN	R J Young Ltd.	Unlimited	32.40				131.82
RUENTE	R.J. Enterprises	Unlimited					11.38
RALPHW	Ralph White Merchandise Inc.	Unlimited	11.38				1,430.63
RAMBOW	Rambow Inc.	Unlimited	1,430.63				251.04
RDF	RDF Unlimited Concepts	Unlimited	251.04				104.53
RECOGN	Recognition Awards/BC & Assoc.	Unlimited	104.53				-161.18
RECENT	Recognition Enterprises	Unlimited	462.99				462.99
REDCAR	Red Carpet Incentives	Unlimited					-2.08
RERIVE	Red River College	Unlimited					-165.60
REAGENT	Regent Custom Cresting	Unlimited					-132.87
REMING	Remington Arms Company	Unlimited					7,314.63
RESCEN	Resource Center, Inc.	Unlimited	2,559.38				48.75
REWCEN	Reward Connections	Unlimited	4,755.25				-55.25

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

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Aging by invoice date
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Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
RICKDE	Unlimited				30.00		30.00
RIDGWA	Unlimited				180.00	107.56	287.56
ROBERT	Unlimited	3,146.93					3,146.93
ROBSPE	Unlimited	1,475.91					1,475.91
ROBMAR	Unlimited	10.80	31.95				42.75
ROCMOU	Unlimited		2,765.90				2,765.90
ROGADV	Unlimited			478.75			478.75
ROMANO	Unlimited		267.75	-267.75			0.00
ROMMEN	Unlimited					-19.00	-19.00
RUSHAD	Unlimited	719.65					719.65
RYCOEN	Unlimited		1,558.69				1,558.69
S&SPRO	Unlimited		578.94				578.94
SAFEDI	Unlimited	3,478.72				10.00	3,478.72
SAMSHA	Unlimited						10.00
SASCO	Unlimited	32.40					32.40
SCHEE2	Unlimited	1,527.00					1,527.00
SCOTTTH	Unlimited				-154.87	192.74	37.87
315993	Unlimited					10,748.42	10,748.42
SETHPO	Unlimited	70.50	108.76				396.03
SHANDS	Unlimited	129.00	150.52	101.25	12.75	102.77	279.52
SHIRTS	Unlimited	2,099.56		929.72			3,029.28
SIGSOL	Unlimited	4,888.23	700.70				5,588.93
SIGSHI	Unlimited					516.56	516.56
SIGNET	Unlimited		8,934.75				8,934.75
SIRPRO	Unlimited					95.59	95.59
SIXEAS	Unlimited	1,664.73					1,664.73
SKYMA11	Unlimited	324.00	1,164.00				1,488.00
SMIDAV	Unlimited		190.27				190.27
SOLROC	Unlimited			421.98			421.98
SOURC4	Unlimited	229.50					229.50
SOUPAW	Unlimited		70.22				70.22
SOPAIN	Unlimited	1,735.77				72.19	1,735.77
SOURIV	Unlimited					-56.97	-56.97
SOUTHW	Unlimited						2,226.93
SPARTA	Unlimited	2,226.93				23.40	2,226.93
SPCEPS	Unlimited						23.40
SPECMA	Unlimited		24.94		73.50	149.07	247.51

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
G/L receivables account: All

Aging by invoice date
Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
SPIKES	Unlimited	11.25					11.25
SPIREP	Unlimited					-78.75	-78.75
SPORTW	Unlimited					3,923.52	3,923.52
SPOINT	Unlimited	-14,000.00		10,174.66			-3,825.34
SPOSHA	Unlimited				901.17		901.17
SPOSTO	Unlimited					-25.00	-25.00
SPOWIR	Unlimited	174.00					174.00
SSDNA	Unlimited					32.28	32.28
STASSO	Unlimited						1,440.54
STASEN	Unlimited		1,440.54				1,109.41
STANOU	Unlimited	1,077.44	31.97				210.49
AMEIDE	Unlimited	210.49	1,293.75				2,250.77
CEPRMA	Unlimited	914.75	212.44	1,182.45			1,515.53
STAT88	Unlimited	923.41					923.41
STEFAN	Unlimited			531.55			531.55
STELAR	Unlimited					-35.94	-35.94
STTTMG	Unlimited					706.50	706.50
STORMF	Unlimited	35,475.47	261.19				35,475.47
SBSMSU	Unlimited						261.19
SULLI	Unlimited	358.63					358.63
SUMMIT	Unlimited	468.00	930.00	62.00			1,445.99
SUPROM	Unlimited						1,924.70
SUNCOA	Unlimited	471.00					471.00
SUPLOG	Unlimited		1,364.00				1,364.00
TALBOT	Unlimited		1,296.20				1,149.36
TALBOT	Unlimited	226.80					226.80
TARGMA	Unlimited						2,995.24
TARPAC	Unlimited	382.51	163.80				3,541.55
TARPAC	Unlimited	1,498.46					1,498.46
TBS	Unlimited						0.00
TEASL	Unlimited			-87.83			-87.83
TEAMSA	Unlimited	-87.83					-87.83
TERRYC	Unlimited	-251.51	-516.00	-1,161.00			129.00
THEBIL	Unlimited	182.61					182.61
THBOEX	Unlimited	491.62					491.62
BRACOM	Unlimited		5.85				5.85
BRANCO	Unlimited			2,089.08			2,089.08
CORNEL	Unlimited	701.00					701.00
THECOR	Unlimited		62.25				104.50
THECOR	Unlimited						166.75

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
 G/L receivables account: All

Aging by invoice date
 Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
THCREA	The Creative Touch, Inc.	Unlimited	648.39				648.39
ELEOFF	The Elegant Office	Unlimited	738.00	563.75	-142.62	92.82	1,246.95
THEELI	The Elife Group	Unlimited	481.50				481.50
THEEST	The Estey Group	Unlimited				2,643.08	2,643.08
THEGAT	The Gator Shop	Unlimited		129.00			129.00
GIFBOX	The Gift Box	Unlimited	381.06				381.06
THGREE	The Green Company	Unlimited	854.99				854.99
THEJOE	The Joe Henry Company	Unlimited			34.65		34.65
LARYAT	The Laryat Company, Inc	Unlimited			75.56		75.56
MULAGE	The Mullikin Agency	Unlimited	21.60				21.60
THPEPR	The Perfect Promotion	Unlimited	-9,887.73				-9,887.73
THPRSP	The Promotional Specialists	Unlimited				171.40	171.40
TSGESS	The Signature Group / TSG Essentials	Unlimited				-528.80	-528.80
THESPO	The Sports Team	Unlimited				61.88	61.88
SUMTOT	The Suntotal	Unlimited	129.09				129.09
THOMAD	Thomas Advertising	Unlimited	90.00				90.00
THREDS	Thred's Inc	Unlimited		457.00			470.27
THUMPR	Thumbprint Promotions	Unlimited		630.28		13.27	630.28
TINAJA	Tina Jameson	Unlimited	737.25				737.25
TMGSER	TMG Services Corporation	Unlimited			30.00	120.11	150.11
TMGMED	TMG Media Specialists	Unlimited	73.27				73.27
TNMPRO	TNM Promotions	Unlimited		785.04			785.04
TOBINP	Tobin Promotions	Unlimited				-68.30	-68.30
TOOMAR	Tools of Marketing, Inc.	Unlimited	160.65				160.65
TOPPRO	Top Promotions	Unlimited	284.74	5.00			289.74
TOTALP	Total Promotions	Unlimited	5.85				5.85
TOUMER	Touchstone Merchandise Group	Unlimited	13,877.40	-6,715.90			7,161.50
TOWCOU	Town & Country Promotions, LLC	Unlimited	174.00				174.00
TRIASP	Triple A Specialties, Inc.	Unlimited	18.22				100.44
TRIPLE	Triple Stitch Sportswear	Unlimited		667.77		82.22	4,653.65
NELSPE	Trojan Promotions	Unlimited		2.00			2.00
TSCINC	TSC Inc,	Unlimited	75.60				75.60
TUNICA	Tunica Pharmacy	Unlimited				-696.90	-696.90
ULBPRM	ULB Promoted	Unlimited			443.42		443.42
ULTRAM	Ultra Marketing	Unlimited	5,509.76				5,509.76
UNPRCO	United Promotions Corp	Unlimited			6.52		6.52
UNIBOO	University Bookstore-65211	Unlimited	240.00	3.00			243.00

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
G/L receivables account: All

Aging by invoice date
Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
UNICOB	Unlimited	3,497.40	2,653.60				6,151.00
UNGFIT	Unlimited	288.84	442.43				731.27
UNIALB	Unlimited		236.25			-236.25	0.00
UNOFMN	Unlimited	565.67					565.67
UNOFNC	Unlimited	867.14					867.14
UNREGO	Unlimited			19.50			19.50
UNTXGO	Unlimited		1,301.15				1,301.15
UNUTAH	Unlimited					-5.00	-5.00
UNIWES	Unlimited	1,735.00					1,735.00
UNISUP	Unlimited	7,239.71					7,239.71
USAFSA	Unlimited	1,294.19				-51.00	1,243.19
USAPAD	Unlimited	15.75	53.00				68.75
VANHOR	Unlimited						288.85
VANIND	Unlimited	8,639.73					8,639.73
VERNON	Unlimited	35.23					35.23
WAKBOO	Unlimited	339.00					339.00
WALKER	Unlimited	5,954.40					5,954.40
WALCLA	Unlimited	6.30					6.30
WALBIL	Unlimited	71.33					71.33
WALLST	Unlimited			636.00			636.00
WASHAN	Unlimited	2,403.93					2,403.93
WAYENT	Unlimited	256.04	20.74				276.78
WEBBMA	Unlimited					-164.38	-164.38
WELSHM	Unlimited					33.15	33.15
WESASS	Unlimited	2,151.99					2,151.99
WESDES	Unlimited	116.10					116.10
WHICOR	Unlimited	-145.27	144.60				-0.67
WHYSTR	Unlimited		7,640.55				7,640.55
WILINV	Unlimited		449.12				449.12
WILLIA	Unlimited	603.09					603.09
WIL&AS	Unlimited		136.65				136.65
WITCHE	Unlimited	1,015.46					1,015.46
WORFLO	Unlimited					-84.60	-84.60
CANDYU	Unlimited	905.24	149.54				1,054.78
YOCHOI	Unlimited						601.38
ZAKBAC	Unlimited	-62.55	-222.75				0.00
ZEBRAM	Unlimited			286.30			286.30
				-30.73			-30.73

Canyon Outback Leather Goods

*** AGED A/R SUMMARY - BY NAME ***

Period ending: 31-Oct-11

Customer Name: First to Last
 G/L receivables account: All

Aging by invoice date
 Territory: ALL

Customer	Credit Limit	Current	30+ Days	60+ Days	90+ Days	120+ Days	Balance
ZWEIGL	Unlimited		2,909.39				2,909.39
** GRAND TOTAL **		352,449.47	63,671.77	45,464.20	11,922.43	45,300.46	518,808.33

**END OF REPORT **

Schedule 3.15(a)

Seller Sales Representatives

8/31/2011

<u>Sales Representative</u>	<u>LTM Commissions</u>
Aldem Marketing Group Inc.	\$ 29,423
B.C. Associates	31,129
Barry Harris	48
Brooks & Brooks	21,890
Bruce Agencies	10,497
Chura Sales	9,569
Clayton DeFoor	12,823
Dale Baker – ASF/USA Wrestling	481
Diane Duplessis	1,227
Diane Leslie Marketing	10,403
Div	895
Division Three Texas	20,557
DJ Marketing Consultants	8,745
EIS Group	1,813
Gene Sparkman	112
Jerry Holder	1,053
Joe Salaja	7,293
Jon Pierce	10,343
KT & Company	2,301
Mario & Associates	1,647
Mark Elreath	14,540
Marvin Starkey	1,752
Mike Doyle & Associates	1,644
Rick Dean & Associates	3,512
Ridgway Marketing	8,853
Sam Page	443
Sam Shannon & Assoc.	6,666
Sam Harled	6,520
Seth Porter	26,059
Shawna Tickle	3,941
Simpson Agencies	3,653
Special Market Associates	9,681
Steve Hudson	1,547
Susan Russo Image Power	8,162

Tarpack – Collegiate & Follet	39,092
Tarpack – Collegiate (3% Override)	36,757
Tarpack – ASI (3% Override)	36,948
TC Sports Marketing	5,185
Tobin James	2,720
TR Spoltman	9,386

Schedule 3.15(b)

Material Suppliers

<u>Supplier</u>	<u>Purchases</u>	
	<u>FYE 2010</u>	<u>2011 through 9/30</u>
Zhuji Xinyanguang Leather Dress Co. Ltd.	\$1,353,000	\$1,318,000
Amin International Limited	787,000	554,000
Henan Yilong Import & Export	459,000	244,000
UPS Supply Chain Solutions	–	152,000
Tarpack Inc.	–	137,000
Kuehne & Nagel, Inc.	–	121,000
Changzhou Wideshine Imp. & Exp. Co.	236,000	-

Schedule 3.16

Insurance

THE HARTFORD

Workers Compensation:

- Limits:
 - \$500,000 Each Accident
 - \$500,000 Policy Limit
 - \$500,000 Each Employee

- Class Codes:
 - Store – Wholesale NOC (8018) - \$204,431 of Total Payroll
 - Clerical Office Employees NOC (8810) - \$335,115 of Total Payroll

Property:

- Building
 - Blanket Limit of Insurance - \$1,247,000
 - Replacement Cost/Special Form
 - 500 Deductible

- Business Personal Property
 - Blanket Limit of Insurance - \$1,567,500
 - Replacement Cost/Special Form
 - \$500 Deductible

- Business Income & Extra Expense
 - 12 Months Actual Loss Sustained

General Liability:

- Occurrence Limit - \$2,000,000
- Medical Expenses - \$10,000
- Personal & Advertising Injury Limit - \$2,000,000
- Damages to Premises Rented to You Limit - \$1,000,000
- Aggregate Limit - \$4,000,000
- Products & Completed Operations Limit - \$4,000,000
- Class Codes
 - Leather Goods & Luggage Distributor (50991)
 - Exposure – Gross Sales of \$5,150,000

Super Stretch Endorsement – Package Endorsement with multiple coverage's.

Schedule 3.20(a)

Benefit Plans

Health insurance: Medica Health Insurance Plans

Dental insurance: Delta Dental

Life insurance: State Farm Life Insurance Company

Supplemental Insurance: Aflac

Retirement plan: American Funds IRA

Executive Bonus Plan: The Northwestern Mutual Life Insurance Co.

Schedule 3.21(a)

Employees

<u>Employee</u>	<u>Position</u>	<u>Hire Date</u>	<u>Status</u>	<u>Wage \$/hr</u>	<u>Annualized</u>
Wendinger, Amy	Customer Service	10/30/2003	FT	21.00	43,680.00
Muhlbauer, Dawn	Customer Service	11/1/2004	FT	16.00	33,280.00
Klatt, Tonya	Customer Service	8/17/2011	PT	12.00	12,480.00
Portner, Tiffany	Customer Service	11/30/2010	PT	12.00	12,480.00
Wetzel, Nancy	Customer Service	5/10/2005	PT	12.00	12,480.00
Bertrand, Michelle	Accountant	3/2/2011	PT	16.00	16,640.00
Parker, Lisa	Sales Warehouse	6/22/2011	FT	Commissioned	
Forstner, Frank	Manager	10/1/2000	FT	20.00	41,600.00
Gustafson, Kevin	Production/Deboss	3/26/2004	FT	16.00	33,280.00
Gustafson, Mikale	Shipping/Deboss	7/15/2004	FT	15.00	31,200.00
Loop, Mark	Production/Deboss	4/17/2006	FT	15.00	31,200.00
Krueger, Nate	Production/Deboss	8/4/2011	FT	11.00	22,880.00