

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM540984

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|---|--|-----------------------|---------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL | | |
| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| Magnus, Inc. | | 03/30/2012 | Corporation: KANSAS |
| RECEIVING PARTY DATA | | | |
| Name: | Magnus Outdoor Products, Inc. | | |
| Street Address: | 800 Washington St. | | |
| City: | Great Bend | | |
| State/Country: | KANSAS | | |
| Postal Code: | 67530 | | |
| Entity Type: | Corporation: KANSAS | | |
| PROPERTY NUMBERS Total: 1 | | | |
| Property Type | Number | Word Mark | |
| Registration Number: | 3592533 | BULLHEAD | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | 3169452789 | | |
| <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: | 3169458251 | | |
| Email: | kennethjack@davisandjack.com | | |
| Correspondent Name: | Kenneth H. Jack | | |
| Address Line 1: | 2121 W. Maple St | | |
| Address Line 4: | Wichita, KANSAS 67213 | | |
| NAME OF SUBMITTER: | Kenneth H. Jack | | |
| SIGNATURE: | /Kenneth H. Jack/ | | |
| DATE SIGNED: | 09/16/2019 | | |
| Total Attachments: 22 | | | |
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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "*Agreement*") is made and entered into this _____ day of _____, 2012, by and among: **MAGNUS, INC.**, a Kansas corporation ("*Seller*") and **MAGNUS OUTDOOR PRODUCTS, INC.**, a Kansas corporation ("*Buyer*").

WHEREAS, Seller is the owner of various assets related to various outdoor sports and recreation products located at 800 West Washington Street, Great Bend, Kansas 67530 ("*Owned Business*"); and

WHEREAS, Seller desires to sell those assets and Buyer desires to purchase those assets, on the terms and conditions set forth herein.

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

ARTICLE I DESCRIPTION OF ASSETS TO BE PURCHASED

Section 1.1 Assets Defined. Subject to the terms and conditions set forth in this Agreement, at the Closing (as hereinafter defined), Seller will sell, assign, transfer and convey to Buyer, and Buyer will purchase, pay for and accept from Seller all right, title and interest in all personal property owned by the Seller as of the date hereof, including, but not limited to the following, with the exception of the claim against Diamond State Insurance Co., which is pending on appeal, (collectively hereinafter, "*the Acquired Assets*").

- (a) All furniture, equipment, tools, supplies and other tangible personal property owned or used by Seller exclusively or primarily in the operation of the Owned Business as of the date hereof or acquired between the date hereof and the Closing Date, as more particularly described on **Exhibit A**;
- (b) All vehicles listed in **Exhibit B** to this Agreement;
- (c) All benefits, rights and entitlements of or relating to the Owned Business under and in all contracts, agreements, leases, licenses and commitments listed ("*Owned Business Contracts*");
- (d) All benefits, rights and entitlements under any leases for any real property at the Owned Business (the "*Real Property*");
- (e) All of the permits of Seller necessary for the ownership, operation, maintenance or presently planned expansion, if any, (by Seller) conducted at the Owned Business, to the extent transferrable;
- (f) All utility and other deposits previously paid and/or held by third parties in connection with the operation of the Owned Business as of the Closing Date;

(g) All accounts and notes receivable generated in or relating to the operation of the Owned Business ("**Receivables**");

(h) All of the Seller's rights and incidents of interest in and to causes of action, suits, proceedings, judgments, claims and demands of any nature, whenever maturing or asserted, relating to or arising directly or indirectly out of any of the Acquired Assets or the Owned Business; and

(i) All goodwill associated with the Owned Business, together with all lists of present or former customers of the Owned Business, all business books, documents, records, files, databases and reports relating to the Acquired Assets and reasonably necessary for Buyer to continue the Owned Business (collectively, "**Seller Records**"), the web sites, domain names, telephone numbers and listings for the Owned Business, and all intellectual property owned and/or used by the Seller exclusively or primarily in connection with the Owned Business ("**Business Intellectual Property**"), including, without limitation, all right, title and interest in and the right to use the trademarks, service marks and trade names for the Owned Business. All Seller Records not physically located at the Owned Business shall be forwarded to the Buyer on or before the Closing Date.

Except as specifically provided in Section 1.2, it is intended that the assets, properties and rights of the Owned Business to be sold to Buyer pursuant to this Agreement shall include all of the assets, properties and rights reflected in the exhibits relating to the subsections of Section 1.1, other than those assets, properties and rights that may have been disposed of in the ordinary course of business prior to the Closing Date, but including all similar assets, properties and rights of the Owned Business that may have been acquired in the ordinary course of business since the dates of the listings in the exhibits relating to the subsections of Section 1.1 until the Closing Date.

Section 1.2 Excluded Assets. Seller shall not transfer, convey or assign to Buyer, and Buyer shall not purchase, the following assets (collectively, the "**Excluded Assets**"): (a) cash in bank and cash equivalents; and (b) corporate records, minutes and records of shareholders' and directors' meetings of Seller.

Section 1.3 Consideration for Asset Purchase Payable at Closing. On the terms and subject to the conditions of this Agreement, Buyer, in consideration for the transfer and delivery to it of the assets of Seller as herein provided, a total consideration of _____ is to be paid at the Closing Date, consisting of: (a) _____ of cash at Closing; and (b) the assumption of the exiting indebtedness of Seller at Community Bank of Midwest of Great Bend, Kansas (the "**Bank**"), consisting of: (a) Note No. 90 in the original principal amount of \$178,706.13; (b) Note No. 140 in the original principal amount of \$417,114.76; (c) Note No. 150 in the original principal amount of \$70,000.00; and (d) the ARC Loan (American Recovery Capital) in the original principal amount of \$25,672.00 (collectively the "**Notes**"). The Notes will be assigned under separate assignments and the indebtedness assumed by Buyer. Buyer will become an additional obligated party to the Bank. Buyer shall, as the terms and conditions of the sale, indemnify and hold harmless Seller from all terms and conditions of the Notes.

Section 1.4 . Liabilities.

(a) Assumed Liabilities. With the exception of all financial obligations due the Bank, from and after the Closing Date Buyer shall not assume any liabilities and obligations of the Owned Business or Seller's obligations to third parties ("*Assumed Liabilities*") under and pursuant to the terms and conditions of this Agreement, except to the extent that Buyer expressly assumes the terms and conditions of any assumed contract or pledged contract, but only to the extent such obligations arise, accrue or first become due after the Closing Date under the terms of the assumed contracts or the pledged contracts; provided, however, that Buyer will not assume or be responsible for any such liabilities or obligations which arise from any breach or default by Seller under any assumed contract that occurs prior to the Closing Date, or that arises out of or relates to events or circumstances that occur or exist prior to the Closing Date, all of which the liabilities and obligations will constitute the Retained Liabilities of Seller. Notwithstanding anything to the contrary contained in this Agreement, or any document delivered in connection herewith, Buyer's obligations in respect of the Assumed Liabilities will not extend beyond the extent to which Seller was obligated in respect thereof and will be subject to Buyer's right to contest in good faith the nature and extent of any liability or obligation.

(b) Retained Liabilities. Except as provided in Section 1.4(a) hereof, Seller will retain, and Buyer will not assume or be responsible or liable with respect to any liabilities of Seller whether or not arising out of or relating to the conduct of the Owned Business or associated with or arising from any of the Acquired Assets, whether fixed or contingent or known or unknown (collectively, the "*Retained Liabilities*"), including, without limitation, the following:

- (i) Liabilities relating to any Excluded Asset irrespective of whether such liability relates to the period before or after Closing;
- (ii) Liabilities of Seller that constitute trade payables to the extent such trade payables relate to periods prior to the Closing Date;
- (iii) Liabilities of Seller arising under or relating to any assumed contract to the extent such liabilities are not expressly assumed in accordance with the provisions of Section 1.4(a);
- (iv) Liabilities of Seller arising under or relating to any contract other than an assumed contract;
- (v) Liabilities with respect to: (A) any employee plan maintained, sponsored, contributed to or participated in by Seller for the benefit of or relating to

any current or former employee of the Owned Business ("*Seller Employee Plan*") and; (B) any obligation under any employment agreement or any employee benefit pertaining to health, medical, dental, disability or other benefit plan;

(vi) Seller's deferred sales commissions, if any;

(vii) Liabilities of Seller based in whole or in part on violations of law or environmental conditions occurring or existing prior to the Closing Date and arising out of or relating to environmental requirements.

Section 1.5 Prorations; Services in Progress; Transaction Taxes. Seller shall be responsible for all taxes arising as a result of the operation of the Owned Business or ownership of the Acquired Assets prior to the Closing Date. At Closing, all real and personal property taxes on the Acquired Assets shall be prorated between Seller and Buyer on a per diem basis based upon prior years tax assessments and mill levy. Nothing herein shall be construed to suggest that Buyer is assuming the Owned Business subject to any existing lien or encumbrance for ad valorem taxes, special assessments or any fee or charge owed any governmental authority.

Section 1.6 Effective Time. The effective time of the transfer of the Acquired Assets shall be 12:01 a.m. on the Closing Date.

ARTICLE II CLOSING

Section 2.1 Closing. The closing of the transaction provided for in this Agreement, (the "*Closing*") shall take place on _____, 2012 at the offices of _____ (the "*Closing Date*"), or at such other location, time and date as the parties shall mutually agree. In the event of any postponement thereof, all references in this Agreement to the Closing Date shall be deemed to refer to the time and to the date to which the Closing Date shall have been so postponed as herein provided.

Section 2.2 At the Closing, Seller shall deliver to Buyer such bills of sale, endorsements, assignments, title affidavits and other documents reasonably requested by Buyer's attorneys and/or the Bank, and such other instruments of transfer, conveyance and assignment as may be reasonably requested by Buyer, in forms reasonably satisfactory to Buyer, in order to more fully vest in Buyer good and marketable title to the Acquired Assets. Seller shall take all such steps as may be reasonably requested by Buyer to put Buyer in actual possession and control of the Acquired Assets and the Owned Business as of the Closing.

ARTICLE III
REPRESENTATIONS AND WARRANTIES BY SELLER

Seller hereby represents and warrants to Buyer, both as of the date hereof and as of the Closing Date, as follows:

Section 3.1 Organization; Standings; Authorizations; Capacity. Magnus, Inc. is a corporation duly organized, validly existing and in good standing under the laws of the State of Kansas, with all requisite power and authority to own the Acquired Assets conveyed hereunder and to conduct the Owned Business as it is now being conducted and is presently proposed (by Seller) to be conducted. Magnus Outdoor Products, Inc. is duly qualified to conduct business and is in good standing in the State of Kansas. The execution, delivery and performance of this Agreement, by Seller and the documents contemplated hereby by Seller have been duly and effectively authorized by all necessary action on the part of Seller, including authorization by the board of directors of Magnus, Inc., and no further action or consent is required in connection with such execution, delivery and performance of this Agreement, by Seller. This Agreement, and the documents contemplated hereby have been duly executed and delivered by Seller and constitute the valid and binding obligation of Seller enforceable against Seller in accordance with its terms. Seller has the requisite regulatory approval to conduct business at 800 Washington Street, Great Bend, Kansas 67530 and is unaware of any legal impediment that will prohibit the transfer of assets hereunder and the use of the assets conveyed hereunder by Buyer to operate a business similar to or identical to Seller's business operation.

Section 3.2 Tax Matters.

(a) Except as set forth herein: (i) Seller has properly and timely filed all tax returns required to be filed by them, which were correct and complete; (ii) has paid all taxes required to be paid by it (whether or not shown on a tax return); and (iii) there are no encumbrances for taxes on the Acquired Assets other than for taxes not yet due and payable.

(b) Seller has withheld and paid all taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder or other person for all periods for which the statutory period of limitations for the assessment of such tax has not yet expired and all IRS Forms W-2 and 1099 (and other applicable forms required to be filed by a state or local taxing authority) require with respect thereto have been properly completed and timely filed.

(c) Seller is not a "foreign person" as such term is defined in Section 1445(f)(3) of the Code.

(d) All amounts received by Seller on sales by the Owned Business which are required under applicable state law to be trusted have been deposited in trust and all tax

returns required to be filed concerning such trusts and the income from such trusts have been filed through all fiscal years ending prior to the Closing Date.

Section 3.3 No Violation. Neither the execution and delivery of this Agreement by Seller nor the performance of its obligations hereunder or thereunder will, subject to receipt of all Required Consents as defined in Section 3.19 below: (a) violate, conflict with or result in a breach of any law; (b) violate, conflict with or result in a breach or termination of, or otherwise give any contracting party additional rights or compensation under, or the right to terminate or accelerate, or constitute (with notice or lapse of time, or both) a default under the terms of any organizational documents (i.e., charter, bylaws, operating agreement, partnership agreement or similar document), any note, deed, lease, instrument, permit, security agreement, mortgage, commitment, contract, agreement, order, judgment, decree, license or other instrument or agreement, whether written or oral, express or implied, including, without limitation, the assumed contracts, to which Seller is a party or by which any of the Acquired Assets or the Owned Business is bound; or (c) result in the creation or imposition of any liens with respect to the Acquired Assets or the Owned Business

Section 3.4 Condition of Acquired Assets. The tangible Acquired Assets that are reasonably necessary for the operation of the Owned Business are in operating condition and reasonable repair (subject to normal wear and tear) and are sufficient to permit Buyer to conduct the Owned Business as presently conducted.

Section 3.5 Inventory. Seller has good and marketable title to the inventory free and clear of any and all liens, with exception of the Bank. The inventory does not consist of any material amount of items that are obsolete or damaged or items held on consignment. Seller has not acquired or committed to acquire or produce inventory for sale which is not of a quality usable in the ordinary course of business within a reasonable period of time and consistent with past reasonable practice.

Section 3.6 Litigation. No proceeding before any governmental authority, mediator or arbitrator is pending or, to Seller's knowledge, threatened, involving the Owned Business, or which would prevent the carrying out of this Agreement, declare unlawful the transactions contemplated by this Agreement, cause such transactions to be rescinded, or require Buyer to divest itself of any of the Acquired Assets or the Owned Business. No facts or circumstances or other events have occurred to Seller's knowledge that can reasonably be expected to give rise to any such proceeding.

Section 3.7 Court Orders and Decrees. There is not outstanding or, to the knowledge of Seller, threatened any order, writ, injunction or decree of any governmental authority, mediator or arbitrator against or affecting the Seller, relating to any of the Acquired Assets or the Owned Business.

Section 3.8 Business Intellectual Property.

(a) Seller owns, free and clear from all liens and encumbrances, or otherwise

possesses legally enforceable rights to use all of the Business Intellectual Property used in or reasonably necessary to the conduct of the Owned Business as currently conducted or proposed to be conducted. The Business Intellectual Property owned by Seller and the Business Intellectual Property licensed to Seller comprises all of the Business Intellectual Property that is or has at any time been used in or is reasonably necessary to conduct the Owned Business as currently conducted or proposed to be conducted.

(b) **Exhibit C** sets forth an accurate and complete list of all trade names and other trademarks held for use or used by Seller in connection with the Owned Business, and, with respect to each, an indication of whether Seller owns or licenses from a third party such trade names and other trademarks. To the knowledge of Seller, Seller has the legal right to use the trade names and other trademarks used by Seller in connection with the Owned Business.

Section 3.9 Contracts. Except for the assumed contracts (copies of which have been delivered to Buyer), no Seller is a party to or bound by any contract relating to the Acquired Assets or the Owned Business. All of the assumed contracts are capable of assignment to Buyer without notice to or consent of any other person, are in full force and effect, and there exists no default or breach thereunder by Seller. Seller is not a party to, nor is bound by any contract that would reasonably be expected to restrict Buyer's operation of the Owned Business or, with respect to the Owned Business, the ability to compete in any geographic region or in any line of business. Seller has not received any notice (written or oral) indicating the intention of any party to any assumed contract to amend, modify, rescind or terminate such assumed contract. All of the assumed contracts are enforceable against the Seller and any of its affiliates that are a party thereto and, to Seller's knowledge, against all other parties thereto in accordance with their terms and applicable laws.

Section 3.10 Licenses and Permits. The Seller holds all of the permits required to own, operate and maintain the Owned Business under any applicable law as currently conducted or proposed (by Seller) to be conducted ("**Existing Permits**"), and all Existing Permits are, and as of immediately prior to the Closing will be, in full force and effect. To the Seller's knowledge there are no material restrictions on Buyer's ability to replace or renew any of the Existing Permits. Seller is in compliance with all Existing Permits.

Section 3.11 Consents. Seller has, or prior to the Closing will have, obtained, satisfied or made all consents (the "**Required Consents**") that are required to be obtained, satisfied or made pursuant to any laws, permits, assumed contracts or other agreements by which Seller, or any of its properties or business assets, including, without limitation, the Acquired Assets, is bound in connection with: (a) the execution and delivery of this Agreement, by Seller; or (b) the sale and transfer to Buyer of the Acquired Assets, including, without limitation, the assumed contracts and, if transferable to Buyer under applicable laws, the Existing Permits.

Section 3.12 Compliance with Laws. The Owned Business presently is conducted, and the Acquired Assets and their respective uses are, in material compliance with all laws applicable to them including, without limitation, those governing the operation of motor vehicle service and

repairs in compliance with applicable laws. Seller has not received any written notice of any administrative, civil or criminal investigation or audit by any governmental authority relating to the Owned Business. Furthermore, with respect to the ownership and operation of the Owned Business, there are no pending or, to the knowledge of Seller, threatened claims or suspensions against Seller by any person related to the operation of motor vehicle service and repair business.

Section 3.13 OSHA and ADA. There is no proceeding pending with respect to Seller, and, to Seller's knowledge, no charge or claim has been made against Seller that has not been dismissed, discharged or otherwise fully resolved, under the Occupational Safety and Health Act ("*OSHA*") and the Americans with Disabilities Act ("*ADA*") pertaining to the facilities and operations of the Owned Business.

Section 3.14 Labor Relations. Seller is not a party to any collective bargaining or union contract and are not aware of any current union organization effort with respect to employees of the Owned Business. To Seller's knowledge, since December 31, 2011, there have not been any union organizing activities with respect to the employees of the Owned Business. Since December 31, 2011, Seller has not received notice of any unfair labor practice complaints from or with respect to any employees of the Owned Business. Since December 31, 2011, Seller has not received any written notice of any strikes, slowdowns, work stoppages, lockouts or threats thereof, by or with respect to any employees of the Owned Business. Since December 31, 2011, Seller has not had an "employment loss" within the meaning of the WARN Act or any similar Law.

Section 3.15 Employees and Independent Contractors. **Exhibit D** sets forth a list of all employees of the Owned Business, together with: (a) their titles or responsibilities; (b) their salaries or wages during the 2011 calendar year; (c) their dates of hire; (d) any employment or severance agreements with them; and (e) any outstanding loans or advances made to them. Except for any limitations of general application which may be imposed under applicable employment laws, Seller has the right to terminate the employment of each employee of the Owned Business at will and without incurring any penalty or liability other than Retained Liabilities. Seller is in compliance with all laws respecting employment practices. To Seller's knowledge, no employee of the Owned Business has provided to Seller written notice of such employee's intent to terminate his or her employment with the Owned Business after the date hereof. Seller does not have knowledge that the transactions contemplated by this Agreement, will adversely affect relations with the employees of the Owned Business.

Section 3.16 Insurance. **Exhibit E** sets forth a summary of the insurance policies currently owned or maintained for the benefit of the Owned Business (excluding insurance policies that constitute Employee Plans). Each such insurance policy: (a) is in full force and effect during the period(s) of coverage indicated in **Exhibit E**; (b) is to Seller's knowledge, with financially sound and reputable insurance companies or associations; and (c) complies with the requirement of all laws, contracts and permits applicable to the Owned Business or any of the Acquired Assets. Except as described in Exhibit D, there are no claims pending under any of the insurance policies described

in Exhibit E.

Section 3.17 No Brokers. Neither Seller nor any person acting on behalf of Seller, has agreed to pay to any person any commission, finder's or investment banking fee, or similar payment in connection with this Agreement, or the transactions contemplated thereby, nor has Seller, or any person acting on behalf of Seller, taken any action on which a claim for any such payment could be based.

Section 3.18 Accounts Receivable.

(a) **Exhibit F** sets forth a detailed list of all Receivables, relating to the Owned Business, as of a date within 30 days prior to the Closing Date. The Receivables shall be conveyed hereunder.

(b) All Receivables represent bona fide claims of Seller against debtors of the Owned Business for sales made, services performed or other charges or valid consideration arising on or before the date hereof. To Seller's knowledge, all such Receivables are valid and enforceable claims and, to Seller's knowledge, are fully collectible in the ordinary course of business, consistent with past practices, without setoff or counterclaim. Except as set forth on **Exhibit G**, **Seller does not have any Receivables from any director, officer, partner or employee of the Seller or any affiliate of Seller, except for advances for reasonable business expenses incurred in the ordinary course of business, so long as such advances do not exceed \$500 in the aggregate.**

Section 3.19 Operations in Ordinary course of Business. Since December 31, 2011, Seller has operated and conducted the Owned Business in the ordinary and usual course consistent with past reasonable practices. Since December 31, 2011, there has been no material adverse change in the financial condition, assets, liabilities, or operations of the Owned Business, nor have any events occurred, nor to Seller's knowledge do there exist any circumstances, which would constitute, either before or after the Closing, any such change. Without limiting the generality of the foregoing and except as set forth on **Exhibit G**, since December 31, 2011, Seller has not:

(a) sold, assigned, leased or transferred any of its assets, which are material to the Owned Business singly or in the aggregate, other than assets sold or disposed of in the ordinary course of business, consistent with past practice;

(b) canceled, terminated, amended, modified or waived any material term of any Contract relating to the Owned Business to which it is a party or by which it or any of its assets are bound, providing for aggregate annual revenues to Seller in excess of \$10,000;

(c) (i) increased the base compensation payable or to become payable to any of its employees or independent contractors, except for normal periodic increases in such base compensation in the ordinary course of business, consistent with past practice; (ii) increased

the sales commission rate payable or to become payable to any of its employees or independent contractors except in the ordinary course of business consistent with past practices (including, without limitation, past practices with respect to amounts and timing); (iii) granted, made or accrued any loan, bonus, fee, incentive compensation (excluding sales commissions), service award or other like benefit, contingently or otherwise, to or for the benefit of any of its employees or independent contractors, except in the ordinary course of business consistent with past practices (including, without limitation, past practices with respect to amounts and timing); or (iv) entered into any new employment, collective bargaining or consulting agreement or caused or suffered any written or oral termination, cancellation or amendment thereof;

(d) executed any lease for real or personal property for the Owned Business or incurred any liability therefor except as otherwise disclosed herein;

(e) suffered any damage, destruction or loss (whether or not covered by insurance) affecting the Owned Business or any assets used in the Owned Business that exceeds \$5,000 in any one instance or \$10,000 in the aggregate;

(f) mortgaged or pledged, or otherwise made or suffered any lien (other than any permitted encumbrance) on, any material asset of the Owned Business or group of assets that are material in the aggregate to the Owned Business;

(g) made any payments or gave any other consideration to customers or suppliers of the Owned Business, other than payments under, and in accordance with the terms of, contracts in effect on the date hereof;

(h) paid, discharged or satisfied any liability relating to the Owned Business other than any such payment, discharge or satisfaction in the ordinary course of business, consistent with past practice, of: (i) liabilities reflected or reserved against on such Seller's most recent financial statements or incurred subsequent thereto in the ordinary course of business, consistent with past practice; or (ii) liabilities under, and in accordance with the terms of, any contracts, permits and other commitments set forth on the exhibits hereto or under contracts, permits and other commitments which are not required to be disclosed on the exhibits hereto.

Section 3.20 Full Disclosure. None of the representations and warranties made by Seller in this Agreement (including the exhibits hereto) or in any document delivered to Buyer by or on behalf of Seller pursuant to Section 7.1, contains any untrue statement of a material fact, or omits any material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

Section 3.21 No Other Representations or Warranties. Except as expressly stated in this Agreement, Seller make no other representation or warranty of any kind whatsoever.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby represents and warrants to Seller, both as of the date hereof and as of the Closing Date, as follows:

Section 4.1 Authority. Buyer shall be a duly organized, validly existing Kansas corporation and in good standing under the laws of the jurisdiction of Kansas. The execution, delivery and performance of this Agreement by Buyer has been duly authorized and consented to by its members, and no other or additional consent or authorization on the part of any third party is required in connection therewith.

Section 4.2 No Brokers. Neither Buyer, nor any person acting on behalf of Buyer, has agreed to pay a commission, finder's or investment banking fee, or similar payment in connection with this Agreement, or any matter related hereto to any person, nor has any such person taken any action on which a claim for any such payment could be based.

Section 4.3 No Other Representations or Warranties. Except as expressly stated in this Agreement, Buyer makes no other representation or warranty of any kind whatsoever.

**ARTICLE V
COVENANTS**

Section 5.1 Access to the Owned Business. Prior to the date of this Agreement, Seller has given Buyer and its representatives full and free access to all properties, contracts, books and records of the Owned Business so that Buyer may have full opportunity to make such investigation as it shall desire to make of the affairs of the Owned Business, including, without limitation, the conduct of any environmental investigations or assessments, provided that: (i) such investigation or assessment shall not unreasonably interfere with the operation of the Owned Business; and (ii) prior to undertaking any such investigation or assessment Buyer shall provide notice to Seller. Seller agrees to furnish to Buyer and its representatives all data and information concerning the Acquired Assets and the Owned Business that may be reasonably requested by them to conduct a complete and thorough due diligence review of the Acquired Assets, the Owned Business and the employees of the Owned Business. The parties acknowledge that all data and information acquired pursuant to this Section 5.1 remains subject to confidentiality. In furtherance and not in limitation of the foregoing, Seller agrees to fully cooperate with Buyer as reasonably requested and as reasonably necessary in connection with the arrangement of any equity or debt financing required by Buyer to consummate the transaction contemplated by this Agreement, provided, however, such cooperation shall impose no monetary obligation on Seller.

Section 5.2 Conduct of Business Pending Closing. From and after the date of this Agreement until the Closing, and except as otherwise permitted by this Agreement, or as consented to by Buyer in writing, Seller covenants that:

- (a) Seller shall conduct the Owned Business only in the ordinary course

consistent with past practices, which shall include, without limitation, compliance in all material respects with all applicable laws and the maintenance in force of all insurance policies;

(b) Seller shall maintain the Acquired Assets in their current state of repair, excepting normal wear and tear and use their commercially reasonable efforts to protect the goodwill of the Owned Business and to maintain for the Owned Business the current relationships with suppliers and customers of the Owned Business and others having business relations with the Owned Business;

(c) Seller shall use its commercially reasonable efforts to ensure that key employees and key independent contractors continue their association with the Owned Business through the Closing Date;

(d) Seller shall make all payments due under the mortgages through the Closing and otherwise keep all payments due under the mortgages current so that none of the mortgages are in default; and

(e) Seller shall not engage in any practice; take, fail to take, or omit any action or enter into any transaction, (i) of the kind described in Section 3.27 or (ii) which would make any of the representations and warranties in Article III not true.

Section 5.3 Consents and Licenses. Seller shall use commercially reasonable efforts to obtain, satisfy or make, prior to the Closing, all Required Consents.

Section 5.4 Cooperation Regarding Publicity. Neither Seller nor Buyer shall make any press release or other public announcement or filing regarding the transactions contemplated herein without prior consultation and coordination with the other party(ies) hereto, so that the business interests of all are properly served. Notwithstanding the foregoing or anything else to the contrary, Seller or Buyer and their respective affiliates may make one or more public announcements or filings in connection with the transactions contemplated by this Agreement, to the extent that such announcement or filing is reasonably required for the party making such announcement or filing (or any of such party's affiliates) to avoid liability under applicable laws; provided, however, that the party making such announcement or filing shall notify the other party(ies) hereto, if reasonably possible, at least three business days prior to making such filing.

Section 5.5 Satisfaction of Pre-Closing Covenants. The covenants set forth at Sections 5.1 through 5.4 shall constitute the pre-closing covenants except to the extent they impose continuing covenants remaining in effect following Closing. Seller and Buyer shall use their commercially reasonable efforts to satisfy at or prior to Closing all of the pre-closing covenants and agreements to be performed or complied with by each of them, respectively.

Section 5.6 Tax Matters.

(a) Seller shall be responsible for preparing and filing, at Seller's expense, within the times and in the manner prescribed by law (subject, however, to filing under any extension) all tax returns of Seller for all tax periods. Notwithstanding the foregoing, Buyer shall have the right to review all such tax returns prior to filing and neither Seller nor Seller's shareholders shall file any such tax returns over the reasonable objection of Buyer.

(b) Seller and Buyer shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with any tax proceeding relating to: (i) the Acquired Assets; (ii) the Owned Business; or (iii) the transactions contemplated by this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any tax audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Seller agrees to retain all books and records with respect to tax matters pertinent to Seller relating to any taxable period beginning before the Closing Date until the longer of: (x) sixty (60) days after the expiration of the statute of limitations of the respective taxable periods; or (y) eight (8) years, and to abide by all record retention agreements entered into with any taxing authority.

(c) Seller and Buyer agree, upon request, to use their commercially reasonable efforts to obtain any ruling, certificate or other document from any taxing authority or any other person as may be necessary to mitigate, reduce or eliminate any tax that could be imposed with respect to the transactions contemplated by this Agreement.

(d) Seller and Buyer shall follow the agreed upon allocation of the purchase price for the purpose of their respective tax filings and any and all reporting required by the Internal Revenue Service or the Kansas Department of Revenue.

Section 5.7 Employees.

(a) Buyer may, but shall not be obligated to, offer employment to any employees of the Owned Business on such terms and conditions as Buyer may determine. Seller shall retain all obligations and liabilities arising on or prior to the Closing Date in respect of its current and former employees under any and all employee benefit plans, policies or practices of Seller and applicable laws. Prior to the Closing, Buyer shall notify Seller of those employees of the Owned Business to whom Buyer expects to make an offer of employment. Buyer shall not assume or otherwise be responsible for any obligation or liability under any employee benefit plans, policies or practices of Seller, or from any employee's employment with or termination of employment by Seller at or prior to the Closing.

(b) Seller shall be responsible for providing health benefit continuation coverage under Section 162(k) and Section 4980B of the Code with respect to: (i) any former employee of Seller and any other qualified beneficiary under any group health plan who as

of the Closing is receiving or is eligible to receive such continuation coverage; and (ii) any employee of Seller and any qualified beneficiary with respect to such employee.

(c) Seller shall be responsible for, and shall comply with, any and all WARN Act obligations relating to periods prior to Closing or associated with, or incurred as a result of, the transactions contemplated by this Agreement.

Section 5.8 Cooperation Regarding Financial Information. After the Closing, without limiting the generality of any other provision of this Agreement, and without further consideration, Seller shall, and shall cause their respective Affiliates to, provide reasonable cooperation (including reasonable access to Seller's files, records and employees) to Buyer and its agents and representatives (including Buyer's external auditors) in connection with the preparation of financial statements and financial information and disclosures relating to the Owned Business and the Acquired Assets, including, without limitation, disclosures required under Items 2.01 and 9.01 of Form 8-K adopted by the Securities and Exchange Commission, including all requirements for pro forma financial information.

Section 5.9 Further Assurance. From time to time after the Closing, at the request of Buyer, and without further consideration but at no cost to Seller, Seller will execute and deliver such additional documents and will take such other actions as Buyer reasonably may request to more fully and absolutely convey, assign, transfer, deliver and vest in Buyer title to the Acquired Assets and the Owned Business and to otherwise carry out the terms of this Agreement.

Section 5.10 Notice of Breaches. Seller shall give prompt notice to Buyer of: (a) the occurrence, or failure to occur, of any event, which occurrence or failure causes or would reasonably be expected to cause any representation or warranty of Seller contained in this Agreement or in any Exhibit hereto to be untrue or inaccurate; (b) any material adverse effect; and (c) any failure of Seller to comply with, perform or satisfy any covenant, condition or agreement to be complied with, performed by or satisfied by it under this Agreement, or any exhibit hereto.

ARTICLE VI CONDITIONS PRECEDENT TO CLOSING

Section 6.1 Condition to Seller's Closing. The obligations of Seller to consummate the transactions contemplated by this Agreement, are subject to the satisfaction on or before the Closing of the following conditions, any one or more of which may be waived by Seller at its option:

(a) The representations and warranties of Buyer contained in this Agreement shall be true and correct, both on the date of this Agreement and at and as of the Closing, except for representations or warranties made as of some other specified date, which as of the Closing shall remain true and correct as of such specified date;

(b) Buyer shall have discharged, performed or complied with, in all material respects, all the pre-closing covenants and other covenants and agreements contemplated by this Agreement to be performed or complied with by Buyer at or prior to the Closing; and

(c) Buyer shall have delivered, or caused to be delivered, to Seller each of the documents required by Section 7.2.

Section 6.2 Conditions to Buyer Closing. The obligations of Buyer to consummate the transactions contemplated by this Agreement, are subject to the satisfaction on or before the Closing of the following conditions, any one or more of which may be waived by Buyer at its option:

(a) The representations and warranties of Seller contained in this Agreement shall be true and correct, both on the date of this Agreement and at and as of the Closing, except for representations or warranties made as of some other specified date, which as of the Closing shall remain true and correct as of such specified date;

(b) Seller shall have discharged, performed or complied with, in all material respects, all pre-closing covenants and other covenants and agreements contemplated by this Agreement to be performed or complied with by Seller at or prior to the Closing;

(c) Seller shall have delivered, or caused to be delivered, to Buyer each of the documents required by Section 7.1;

(d) Buyer shall be satisfied in its sole discretion with the results of its due diligence investigation and review of the Owned Business;

(e) There shall have been no material adverse change in the condition (financial, physical or otherwise), assets, commercial relationships, business or operations of the Owned Business or the Acquired Assets from and after December 31, 2011;

(f) No law, order or judgment shall have been enacted, entered, issued or promulgated by any governmental authority, arbitrator or mediator, which challenges, or seeks to prohibit, restrict or enjoin the consummation of the transactions contemplated hereby, nor shall there be pending or threatened, any action, suit or proceeding by or before any governmental authority, arbitrator or mediator, challenging any of the transactions contemplated by this Agreement, seeking monetary relief by reason of the consummation of such transactions or seeking to effect any material divestiture or to revoke or suspend any material contract or permit of the Owned Business by reason of and or all of the transactions contemplated by this Agreement;

(g) Buyer shall have obtained all required permits for the operation of the Owned Business;

(h) All Required Consents shall have been made, obtained or given, including without limitation, those of Buyer's existing lenders, and such consents shall be in full force and effect; and

(i) Buyer's Board of Managers or Board of Directors, as the case may be, shall have approved the execution and delivery of this Agreement, and the transactions contemplated hereby.

**ARTICLE VII
CLOSING DELIVERIES**

Section 7.1 Seller's Closing Deliveries. At the Closing, Seller will deliver to Buyer the following documents, duly executed as required, and each in form and substance reasonably acceptable to Buyer and its counsel:

(a) Motor vehicle transfer/tax forms transferring the automobiles comprised in the Acquired Assets to Buyer, free and clear of all liens (one for each automobile) and duly endorsed certificates of title for the automobiles evidencing that title to such vehicles are held in Buyer and are free and clear of all liens (one for each automobile);

(b) A bill of sale conveying the applicable Acquired Assets free and clear of liens and encumbrances to Buyer, in form and substance reasonably acceptable to Buyer;

(c) An Assignment and Assumption Agreement assigning to Buyer all of the assumed contracts and Buyer assuming all assumed contracts;

(d) A certificate of Seller, to the effect that the conditions set forth in Sections 6.2(a), (b) and (e) hereof have been satisfied;

(e) A certificate of Seller to the effect that Seller is not a foreign person within the meaning of Section 1445 of the Code (or any comparable law);

(f) Fully executed counterparts of any and all required transfer tax forms;

(g) Such title affidavits, opinions and indemnities as may be requested by the title company to issue the policy or policies to Buyer;

(h) Copies of all Required Consents, duly executed by the person from whom consent is required to be obtained;

(i) All other bills of sale, leases, deeds, transfers, assignments, acts, things and assurances as may be required in the reasonable opinion of Buyer for more perfectly and absolutely assigning, transferring, conveying, assuring to and vesting in Buyer title to the Acquired Assets free and clear of all liens other than permitted encumbrances;

(j) Satisfactory (in Buyer's sole discretion) evidence of: (1) the satisfaction in full of all Seller's indebtedness (except for non-delinquent, ordinary course trade payables); and (2) the discharge or release of any lien upon or otherwise affecting any of the Acquired Assets; provided however that for the purpose of this paragraph, any indebtedness and lien that shall be satisfied and discharged upon the payment of the closing purchase price to the holders of the mortgages, shall be deemed satisfied and discharged at the Closing; and

(k) Such other documents as may be reasonably required to consummate the transactions contemplated hereunder.

Section 7.2 Buyer's Closing Deliveries. At the Closing, Buyer will deliver to Seller the following:

- (a) in the form and manner specified in Section 1.3 hereof, the closing purchase price;
- (b) a certificate of Buyer, signed by an executive officer thereof, to the effect that the conditions set forth in Sections 6.1(a) and (b) hereof have been satisfied ;
- (c) such other documents as may be reasonably required to consummate the transaction contemplated hereunder.

ARTICLE VIII

SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS; INDEMNIFICATION; ENFORCEMENT OF AGREEMENT

Section 8.1 Nature of Representations. For purposes of this Agreement, the contents of all exhibits, certificates, and other items incorporated herein by reference shall, in addition to the representations, warranties and covenants made in this Agreement, constitute representations, warranties and covenants made in this Agreement by Seller or Buyer, as the case may be.

Section 8.2 Survival of Representations, Warranties and Covenants. The representations, warranties and covenants of the parties made in this Agreement shall survive the Closing, without regard to any investigation by the parties with respect thereto for six (6) years from and after the Closing Date.

Section 8.3 Indemnification by Seller.

- (a) Seller agrees to indemnify and hold Indemnitee (as defined in Section 8.7), harmless from all losses incurred, suffered or paid, directly or indirectly, as a result of or arising out of:
 - (i) any breach or default in the performance by Seller of any post-closing covenant, covenant or agreement of Seller contained in this Agreement, or any related document executed pursuant hereto;
 - (ii) any breach of representation or warranty by Seller herein;
 - (iii) any Retained Liabilities;
 - (iv) any taxes of Seller; and
 - (v) any unpaid taxes of any person including under United States Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law) as a transferee or successor, by Contract or otherwise.

Section 8.4 Indemnification by Buyer.

(a) Buyer agrees to indemnify and hold Indemnitee (as defined in Section 8.7) harmless from all losses incurred, suffered or paid, directly or indirectly, as a result of or arising out of:

(i) any breach or default in the performance by Buyer of any covenant or agreement of Buyer contained in this Agreement, or any related document executed pursuant hereto;

(ii) any breach of representation or warranty by Buyer herein; and

(iii) the failure of Buyer to fully pay and discharge as and when same are due the Assumed Liabilities or any of the obligations, liabilities and/or duties relating to or arising from the Owned Business from and after the effective time.

Section 8.5 Defenses of Claims; Payment.

(a) Any Indemnitee seeking indemnification with respect to any actual or alleged loss shall give notice to the applicable Indemnitor within the applicable survival period set forth in Section 8.2. If any claim, suit, demand or action is asserted or threatened by a third party ("**Claim**") after the Closing Date for which an Indemnitor may be liable under the terms of Article VIII, then the Indemnitee shall notify the Indemnitor within thirty (30) days after such Claim is known to the Indemnitee (provided, however, that failure to provide such notice will not affect the Indemnitee's rights to indemnity hereunder from Indemnitor, unless the Indemnitee can show actual material prejudice resulting from such failure and then only to the extent of such actual material prejudice) and shall give the Indemnitor a reasonable opportunity: (i) to take part in any examination of any books and records; (ii) to conduct any proceedings or negotiations in connection therewith and necessary or appropriate to defend the Indemnitee; (iii) to take all other required steps or proceedings to settle or defend any such Claim; and (iv) to employ counsel to contest any such Claim in the name of the Indemnitee or otherwise (except as set forth below in Section 8.5(b)).

(b) If the Indemnitor intends to assume the defense of such Claim, it shall give written notice of such intention to the Indemnitee within fifteen (15) days after Indemnitor first receives written notice of such Claim, whereupon Indemnitee shall permit, and Indemnitor shall assume, the defense of any such Claim, through counsel reasonably satisfactory to the Indemnitee. Notwithstanding the foregoing, the Indemnitee may participate in such defense of such Claim (with one or more counsel of its own choice) at its own expense, provided, however, that if the parties to any such Claim (including any impleaded parties) include both the Indemnitor and the Indemnitee and the Indemnitor shall have been advised in writing by counsel for the Indemnitee that there may be one or more defenses available to the Indemnitee that are not available to the Indemnitor or legal conflicts of interest pursuant to applicable rules of professional conduct between the Indemnitor and the Indemnitee, the Indemnitor shall not have the right to assume the defense of such Claim on

behalf of the Indemnitee and the fees and expenses of one such separate counsel employed by the Indemnitee shall be at the expense of the Indemnitor.

(c) If the Indemnitor fails to assume the defense of any Claim within fifteen (15) days after Indemnitor first receives written notice of such Claim, the Indemnitee may defend against such Claim in such manner as it may deem appropriate (provided that the Indemnitor may participate in such defense at its own expense) and a recovery against the Indemnitee in such Claim for damages suffered by it in good faith, shall be conclusive in its favor against the Indemnitor.

(d) The Indemnitor shall not, without the written consent of the Indemnitee, settle or compromise any Claim or consent to the entry of any judgment with respect thereto which does not include, as an unconditional term thereof, the giving to the Indemnitee a release by all other participants from all liability in respect of such Claim. Unless the Indemnitor shall have elected not to assume the defense of any claim subject to Article VIII or, after reasonable written notice of any Claim that is subject to the indemnification provisions of this Article VIII shall have failed to assume or participate in the defense thereof, the Indemnitee may not settle or compromise such Claim without the written consent of the Indemnitor, such consent not to be unreasonably withheld.

(e) Upon determination of the amount due to an Indemnitee ("**Indemnification Amount**") in connection with any matter for which indemnification is sought under this Article VIII ("**Indemnification Matter**") (whether by agreement between the Indemnitor and the Indemnitee or after a settlement agreement is executed or a final judgment or order is rendered by an arbitrator or court of competent jurisdiction with respect to the Indemnification Matter), the Indemnitor shall promptly (and in any event, not later than ten (10) days after such determination) pay the Indemnification Amount, in cash, to the Indemnitee. Any Indemnification Amount that is not paid in full within ten (10) days after final determination of the Indemnification Amount as set forth above shall thereafter accrue interest through the date of payment at the prime rate as reported in *The Wall Street Journal, Eastern Edition* for the date of such final determination.

Section 8.6 Enforcement of Agreement. Each party hereto acknowledges that irreparable damage would result if this Agreement, is not specifically enforced. Therefore, the covenants, agreements, rights and obligations of the parties under the Agreement, including, without limitation, their respective rights and obligations to sell and purchase the Acquired Assets and the Owned Business and the rights and obligations of the parties under Articles V, VIII and X, shall be enforceable by a decree of specific performance issued by any court of competent jurisdiction, and appropriate injunctive relief may be applied for and granted in connection therewith. Each party hereto agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement, and hereby agrees to waive the defense that a remedy at law may be adequate in any action for specific performance hereunder.

Section 8.7 Definitions.

(a) In the case of a claim of indemnification brought pursuant to Section 8.3, "*Indemnitee*" shall mean Buyer and Buyer's Affiliates and the directors, officers, partners, members, managers, employees, successors and assigns of Buyer or any of its Affiliates, and in the case of a claim of indemnification brought pursuant to 8.4, it shall mean Seller and the directors, officers, employees, successors and assigns of Seller or any of its Affiliates.

(b) In the case of a claim of indemnification brought pursuant to Section 8.3, "*Indemnitor*" shall mean Seller, and in the case of a claim of indemnification brought pursuant to Section 8.4, it shall mean Buyer.

**ARTICLE IX
TERMINATION OF AGREEMENT**

Section 9.1 Termination. Except where a right to terminate this Agreement is otherwise specifically provided for herein, this Agreement may be terminated by written notice of termination at any time before the Closing Date only as follows:

(a) By mutual consent of Seller and Buyer;

(b) By Buyer, upon written notice to Seller given at any time after May 31, 2012, if any or all of the conditions precedent to Buyer's obligations hereunder set forth in Section 6.2 hereof have not been met, without fault of Buyer; or

(c) By Seller, upon written notice to Buyer given at any time after May 31, 2012, if any or all of the conditions precedent to Seller's obligations hereunder set forth in Section 6.1 hereof have not been met, without fault of Seller.

Section 9.2 Effect of Termination. In the event of the termination of this Agreement pursuant to the provisions of Section 9.1: (a) this Agreement shall become void and have no effect, without any liability on the part of any of the except as provided below in this Section 9.2; and (b) no confidential information received by any party with respect to the business of any other party or its Affiliates shall be disclosed to any third party, unless required by law. Notwithstanding the foregoing or anything else to the contrary, neither Seller nor Buyer shall be relieved of liability under, and as provided in, this Agreement for a breach of this Agreement, occurring prior to such termination, or for a breach of any provision of this Agreement which specifically survives termination hereunder.

**ARTICLE X
MISCELLANEOUS**

Section 10.1 Assignments; Parties in Interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement shall not be assigned by any party hereto without the prior written consent of the other

prior draft hereof or thereof. The singular form of any word used herein shall be deemed to include the plural form of such word and vice versa. References herein to feminine, masculine or neuter gender shall be deemed to include all genders. As used herein, the words "and" and "or" shall be deemed to mean "and/or" as the context requires. The word "including" (and with correlative meaning, the word "include") means including without limiting the generality of any description preceding such word.

Section 10.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 10.6 Arbitration. In the event of any dispute concerning this Agreement, its effect, or the transaction contemplated by it, the same shall be settled by written opinion of a single private arbitrator by mutual agreement of the parties, pursuant to the provisions of the American Arbitration Association ("AAA") using the rules of procedure of the State of Kansas. If the parties fail to agree on the arbitrator within thirty (30) days of the date one of them invoke this arbitration provision, either party may apply to the American Arbitration Association to make the appointment. Any arbitration proceeding shall be held in the City of Great Bend. Punitive or exemplary damages shall not be permitted under any circumstances. The results of arbitration shall be final and binding upon the parties, with costs borne equally by the parties to the arbitration; provided, however, that a suit or proceeding to enforce such settlement may be commenced in the state or federal courts within the State of Kansas.

Section 10.7 Governing Laws and Jurisdiction. This Agreement shall be construed and enforced in accordance with the laws of the State of Kansas, without regard to principles of conflicts of laws. Without limiting the foregoing, the parties to this Agreement agree that service of process on such party may be made upon the designated person at the address provided in Section 10.2 and shall be deemed effective service of process upon such party.

In Witness Whereof, the undersigned parties hereto have duly executed this Agreement on the date first above written.

BUYER:

MAGNUS OUTDOOR PRODUCTS, INC.

By: hil fl
Printed Name: MIKE SOHR 3/30/2012
Title: President

SELLER:

MAGNUS, INC.

By: W. L. L.
Print Name: MIKE SOMM 2/30/12
Title: President