

STOCK PURCHASE AGREEMENT

AMONG

ZYLEX, LLC (“Purchaser”),

JEGE, Inc. (the “Company”),

AND

[Jeffrey Epstein] (“Seller”)

October __, 2014

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Exhibit A	Non-Compete Agreement
Exhibit B	Consulting Agreement
Exhibit C	Aircraft Inspection Report
Exhibit D	Seller Release
Exhibit E	Escrow Agreement

<u>Schedules</u>	[Follow Exhibits]
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STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (hereinafter, together with the exhibits and schedules annexed hereto the “Agreement”) is made and entered into as of the ___ day of October, 2014, by and among Zylex, LLC, a Florida limited liability company, (“Purchaser”) or assigns, JEGE, Inc., a Delaware corporation, (the “Company”), and [Jeffrey Epstein], who are all the shareholders (collectively, the “Seller”) of the Company.

WHEREAS, the Company owns and operates a business (the “Business”) that includes operations under Part 125 charter operation certified by the Federal Aviation Association (“FAA”), operating a Boeing 727-100 aircraft (as defined further below, the “Aircraft”).

WHEREAS, Seller owns the number of issued and outstanding shares of common stock, [\$___] par value, of the Company (“Common Shares”) and the number of issued and outstanding shares of [preferred stock], [\$___] par value, of the Company (“Preferred Shares”) set forth opposite his, her or its name on Schedule I attached hereto, which Common Shares and Preferred Shares in the aggregate represent all of the issued and outstanding shares of capital stock of the Company as of the date hereof (the Common Shares and the Preferred Shares referred to hereinafter as the “Shares”).

WHEREAS, the Seller desire to sell, and Purchaser desire to purchase, all of the issued and outstanding shares (the “Shares”) of capital stock of the Company, for the consideration and on the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the purchase and sale of the Shares and the mutual promises, covenants and conditions hereinafter set forth, Company and Seller, jointly and severally, and Purchaser, hereby agree as follows:

ARTICLE 1 DEFINITIONS

As used herein, the following terms shall have the meanings set forth below, and where said meanings are intended, said terms shall be capitalized:

1.1 “Adjustment Amount”» has the meaning set forth in Section 2.6.

1.2 “Aircraft”» means that certain Boeing 727-100 aircraft, bearing manufacturer’s serial number 20115, and currently registered with the United States Federal Aviation Agency as N908JE, together with said aircraft’s two Pratt and Whitney JT8D-219 engines and one Pratt and Whitney JT8D-7B engine, as further described on Schedule 3.1.

1.3 “Business”» has the meaning set forth in the second “Whereas” clause above.

1.4 “Certificate”» means that certain Certificate No. _____ issues by the FAA for Aircraft operations for hire of the Business.

1.5 “Closing”» means the closing of the transactions contemplated by this

Agreement.

1.6 “Closing Date”» means the date on which the Closing hereunder is held. The Closing shall be held at 10:00 ■■■, then current Eastern Standard time, on _____, 2014, or at such other time or date as the parties may mutually agree upon in writing, unless delayed by a party for failure to satisfy conditions precedent to said party’s obligations hereunder, in which case Closing shall be held as soon as practicable after such conditions are satisfied.

1.7 “Code”» means the Internal Revenue Code of 1986, as amended, and shall include all of the rules and regulations promulgated thereunder.

1.8 “Company”» means JEGE, Inc., a Delaware corporation, and all subsidiaries thereof.

1.9 “Company Statements”» means the balance sheets of the Company as of December 31, 2013 and statements of income and retained earnings of the Company for the fiscal years ending on said dates, [audited and certified by certified public accountants,] copies of which have been provided to Purchaser.

1.10 “Contemplated Transactions”» means all of the transactions contemplated by this Agreement, including:

- (a) the sale of the Shares by Seller to Purchaser;
- (b) the execution, delivery, and performance of the Promissory Note, the Consulting Agreements, the Noncompetition Agreements, the Seller Release, and the Escrow Agreement;
- (c) the performance by Purchaser and Seller of their respective covenants and obligations under this Agreement; and
- (d) Purchaser’s acquisition and ownership of the Shares and exercise of control over the Company.

1.11 “Contracts”» means any agreement, contract, obligation, promise, or undertaking (whether written or oral and whether express or implied) that is legally binding.

1.12 “Delivery Conditions”» has the meaning set forth in Section 3.3.

1.13 “Encumbrance”» means any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, 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.

1.14 “Equipment”» means all of the Company’s tangible assets, other than the Inventory and the Real Estate, including but not limited to furniture, machinery, equipment, tooling, computers and the software utilized therewith, and vehicles.

1.15 “Escrow Agreement”» means an escrow agreement substantially in the form attached as Exhibit E.

1.16 “Goodwill”» means all goodwill and business of the Company.

1.17 “Interim Statements”» means the unaudited balance sheet of the Company as of the end of the quarter [June 30, 2014], and related unaudited statements of income and retained earnings of the Company for the fiscal period ending on said date, compiled by the Company, copies of which have been provided to the Purchaser.

1.18 “IRC”» means the Internal Revenue Code of 1986 or any successor law, and regulations issued by the IRS pursuant to the Internal Revenue Code or any successor law.

1.19 “IRS”» means the United States Internal Revenue Service or any successor agency, and, to the extent relevant, the United States Department of the Treasury.

1.20 “Key Personnel”» means _____, _____ and _____.

1.21 “Liabilities and Obligations”» means any indebtedness, claim, obligation or liability of any kind or nature whatsoever, whether absolute or contingent, liquidated or unliquidated, due or to become due, accrued or not accrued, or otherwise.

1.22 “Noncompetition Agreements”» has the meaning set forth in Section 2.4(a)(iv).

1.23 “Real Estate”» means the real property owned or leased by the Company and more particularly described on Schedule 6.17 attached hereto, including buildings and improvements located thereon, also as more particularly described on Schedule 6.17.

1.24 “Securities Act”» means the Securities Act of 1933 or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

1.25 “Seller Release”» means a release by Seller in the form attached as Exhibit D.

1.26 “Shares”» has the meaning set forth in the Recitals of this Agreement.

1.27 “Tax” or “Taxes”» shall mean all taxes, charges, fees, levies or other similar assessments or liabilities in the nature of taxes, including income, gross receipts, ad valorem, premium, value-added, excise, real property, personal property, sales, use, transfer, financial transaction, withholding, employment, unemployment, insurance, social security, business license, business organization, environmental, workers compensation, payroll, profits, license, lease, service, service use, severance, stamp, occupation, escheat, windfall profits, customs, duties, franchise, estimated and other taxes imposed by the United States of America or any state, local or foreign government, or any agency thereof, or other political subdivision of the United States or any such government, whether or not disputed, and any interest, fines, penalties, assessments or additions to tax resulting from, attributable to or incurred in connection with any tax or any contest or dispute thereof.

1.28 “Tax Return”» means any return (including any information return), report, statement, schedule, notice, form, or other document or information filed with or submitted to, or required to be filed with or submitted to, any governmental body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any legal requirement relating to any Tax.

ARTICLE 2 PURCHASE AND SALE OF THE SHARES

2.1 Purchase and Sale of the Shares from the Seller». Subject to and upon the terms and conditions of this Agreement, at the Closing, Seller shall sell, transfer, convey, assign and deliver to the Purchaser, and the Purchaser shall purchase, acquire and accept from Seller, all of the issued and outstanding Shares of the Company immediately prior to the Closing, as set forth opposite such Seller’s name on Schedule 2.1 attached hereto. At the Closing, Seller shall deliver to the Purchaser appropriate evidence of the transfer of all of the Shares owned by such Seller to the Purchaser.

2.2 Further Assurances». At any time and from time to time after the Closing, at the Purchaser’s request and without further consideration, Seller shall promptly execute and deliver such instruments of sale, transfer, conveyance, assignment and confirmation, and take all such other action as the Purchaser may reasonably request, more effectively to transfer, convey and assign to the Purchaser, and to confirm the Purchaser’s title to, all of the Shares owned by all Seller immediately prior to the Closing, to put the Purchaser in actual possession and operating control of the assets, properties and business of the Company, to assist the Purchaser in exercising all rights with respect thereto and to carry out the purpose and intent of this Agreement and the transactions contemplated hereby.

2.3 The Closing». The Closing hereunder shall take place at the offices of JEJE, Inc. in West Palm Beach Florida on the Closing Date, or at such other place as may be mutually agreed upon in writing by Purchaser and the Seller.

2.4 Actions at the Closing». At the Closing:

(a) the Company and the Seller shall deliver to the Purchaser the various certificates, instruments and documents referred to in Article 11;

(b) the Purchaser shall deliver to the Company the various certificates, instruments and documents referred to in Article 10; and

(c) Seller shall deliver to the Purchaser all of his, her or its Shares, with appropriate instruments of transfer.

2.5 Purchase Price for the Shares».

(a) The aggregate purchase price to be paid by the Purchaser in respect of all of the Shares shall be US \$2,900,000, plus the Adjustment Amount if any (the “Purchase Price”). The Purchase Price shall be payable in the manner

described in Section 2.5(b).

(b) At the Closing, the Purchaser shall deliver:

(i) to Seller, the portion of the Purchase Price (after reduction of the Purchase Price by the payments specified in (ii) below) due to such Seller, as set forth opposite each such Person's name on Schedule 2.1 attached hereto, via wire transfer of immediately available funds to the account designated by Seller at least five Business Days prior to Closing;

(ii) to the Escrow Agent, an amount in cash equal to [\$ _____] (such amount, exclusive of all interest and other amounts earned thereon but giving effect to any reductions thereto while held on deposit with the Escrow Agent, in accordance with the Escrow Agreement, referred to herein as the "Escrow Cash"), to be held and invested in a segregated account pursuant to the terms of the Escrow Agreement, as a reserve to satisfy any claims by a Purchaser Indemnified Party for indemnity pursuant to Article 13.

2.6 Adjustment Amount». The Adjustment Amount (which may be a positive or negative number) will be equal to (a) the consolidated stockholders' equity of the Company as of the Closing Date determined in accordance with GAAP, minus (b) \$ _____.

2.7 Adjustment Procedure».

(a) Seller will prepare and will cause _____, the Company's certified public accountants, to audit consolidated financial statements ("Closing Financial Statements") of the Company as of the Closing Date and for the period from the date of the Company Statements through the Closing Date, including a computation of consolidated stockholders' equity as of the Closing Date. Seller will deliver the Closing Financial Statements to Purchaser within sixty days after the Closing Date. If within thirty days following delivery of the Closing Financial Statements, Purchaser have not given Seller notice of its objection to the Closing Financial Statements (such notice must contain a statement of the basis of Purchaser's objection), then the consolidated stockholders' equity reflected in the Closing Financial Statements will be used in computing the Adjustment Amount. If Purchaser give such notice of objection, then the issues in dispute will be submitted to _____, certified public accountants (the "Accountants"), for resolution. If issues in dispute are submitted to the Accountants for resolution, (i) each party will furnish to the Accountants such workpapers and other documents and information relating to the disputed issues as the Accountants may request and are available to that party (or its independent public accountants), and will be afforded the opportunity to present to the Accountants any material relating to the determination and to discuss the determination with the Accountants; (ii) the determination by the Accountants, as set forth in a notice delivered to both parties by the Accountants, will be binding and conclusive on the parties; and (iii) Purchaser and Seller will each bear 50% of the fees of the Accountants for such determination.

(b) On the tenth business day following the final determination of the

Adjustment Amount, if the Purchase Price is greater than the aggregate of the payments made pursuant to Sections 2.5(b)(i) and 2.5(b)(ii) and the aggregate principal amount of the Promissory Notes, Purchaser will pay the difference to Seller, and if the Purchase Price is less than such aggregate amount, Purchaser will pay the difference to Seller. All payments will be made together with annual interest at [_____] % calculated on a daily rate basis beginning on and including the Closing Date and ending on and including the date of payment. Payments must be made in immediately available funds. Payments to Seller must be made in the manner and will be allocated in the proportions set forth in Section _____. Payments to Purchaser must be made by wire transfer to such bank account as Purchaser will specify.

2.8 Post Closing Escrow». At closing, the amount of [\$_____] shall be placed into an escrow account (the “Escrow Account”) to be managed by the Escrow Department of the Bank of New York Mellon at 200 Park Avenue, 56th floor, New York, New York. Purchaser may withdraw from the Escrow Account an amount equal to the costs of the services provided in connection with the Pre-Paid existing as of the Closing Date, and an amount equal to the outstanding liability to the employees for vacation pay as of the Closing Date. Additionally, upon payment of the Negative Working Capital amounts to third parties, Purchaser may withdraw from the Escrow Amount the amount of the Negative Working Capital paid by Purchaser (to the extent that such amounts accrued prior to the Closing Date). The Escrow Account shall be held in an interest bearing account at the Bank of New York Mellon, and any funds remaining in the Escrow Account on the date that is [_____ ()] months after the Closing Date shall automatically be disbursed to the Seller. At closing, Purchaser and the Seller shall enter into an escrow agreement consistent with the foregoing provisions in a form reasonably acceptable to Purchaser and the Seller.

2.9 Non-Compete and Consulting Agreement».

(a) At the closing, Purchaser and the Seller shall enter into a Non-Compete Agreement in the form of Exhibit A attached hereto, pursuant to which Seller will agree not to compete with Purchaser for a period of five years after the Closing. In return for said Agreement, Purchaser shall pay a total of \$ _____, payable as specified on Exhibit A.

(b) At Closing, Purchaser and Seller also shall enter into a Consulting Agreement substantially in the form of Exhibit B attached hereto.

ARTICLE 3
AIRCRAFT

3.1 Inspection». Purchaser shall have the opportunity to inspect the Aircraft at a reasonable time prior to delivery at Purchaser's expense to determine whether the Aircraft conforms to the Delivery Conditions of this Agreement or is otherwise acceptable. Such inspection shall take place at the _____ facility located at the _____ Airport () and shall include but not be limited to a visual inspection of the Aircraft, a review of the logbook and Aircraft records, and any other inspections as are reasonably necessary to examine the operation and condition of the Aircraft, including a test flight in compliance with Section 3.2. Purchaser shall complete its inspection of the Aircraft by no later than ten business

days after Purchaser's satisfactory completion of the test flight. Within two business days of Purchaser's completion of the inspection, Purchaser shall deliver an aircraft inspection report substantially in the form of Exhibit C, whereby Purchaser accepts the aircraft, rejects the Aircraft or accepts the Aircraft subject to the correction of any Discrepancies listed in the Aircraft Inspection Report. "Discrepancies" means any failure of the Aircraft to comply with the Delivery Conditions. Upon delivery of such Aircraft Inspection Report accepting the Aircraft subject to the correction of Discrepancies, Purchaser shall, at its option, elect to either (i) have Seller correct all such Discrepancies at Seller's sole cost and expense, (ii) reduce the Purchase Price by an amount equal to the cost of correcting all the Discrepancies. If the Purchaser rejects the Aircraft for any reason, Purchaser and Seller shall cause the Deposit to be returned to Purchaser by the Escrow Agent, and thereafter this Agreement shall terminate and the parties shall have no further liability hereunder.

3.2 Test Flight. Purchaser shall have the opportunity prior to the completion of the Purchaser's inspection of the Aircraft as set out in Section 3.1 to conduct a test flight with at least two of Purchaser's representatives onboard in order to observe operation of all systems. Seller shall retain operational control of the Aircraft at all times during the test flight, and Seller shall name Purchaser and any Purchaser pilots onboard the Aircraft during the test flight as additional insureds on Seller's applicable liability policy. Purchaser shall be responsible for all fuel and costs of the test flight. During any and all inspections, and test flights conducted pursuant to the Agreement, care, custody and control, and risk of loss of the Aircraft shall remain with Seller.

3.3 Aircraft Condition. Seller covenants and agrees that the Aircraft shall be in the following condition at Closing (the "Delivery Condition"):

(a) The Aircraft shall be airworthy, with all equipment, systems and engines shall be functioning in accordance with the manufacturer's tolerances and limitations, with no extensions or deferrals.

(b) All calendar and hourly inspections shall be in compliance with the manufacturer's recommended maintenance program. The aircraft will be considered maintenance current.

(c) The Aircraft shall be in compliance with all known FAA Airworthiness Directives and known Mandatory Service Bulletins and type certificate for such Aircraft.

(d) All Aircraft Documents shall be in English and in compliance with Federal Aviation Regulations (FAR) and include applicable STC and FAA Form 337 documentation, and all logbooks will be complete and continuous.

(e) The aircraft will be delivered with all loose equipment, spare parts, maintenance manuals, log books, spare parts, and any other items that normally pertain to the Aircraft S/N 750-0276 will be delivered to Purchaser.

(f) The Aircraft shall conform to the specifications in Schedule 3.1 with no more than _____ total airframe hours.

ARTICLE 4
REAL ESTATE MATTERS

4.1 Delivery of Documents». Not less than twenty (20) days before the Closing Date, the Seller will deliver to Purchaser a survey of the Real Estate prepared, at the Seller's expense, by a Registered Land Surveyor which shall be certified to Purchaser and shall show the location of all buildings and parking areas on the Real Estate, all access roads to the Real Estate, any encroachments, and all easements affecting the Real Estate. Said survey shall cover pending and levied special assessments and shall be prepared at the Seller's expense. The survey shall be prepared in accordance with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys jointly established by ALTA and ACSM in 1992 and pursuant to the Accuracy Standards (as adopted by ALTA and ACSM for an Urban Survey as defined therein).

4.2 Inspection». Purchaser shall be allowed ten (10) days after receipt of said survey for the examination thereof and the making of any objections to the marketability of title, such objections to be made in writing or deemed to be waived. Notwithstanding anything contained herein to the contrary, however, Purchaser shall not have the right to raise as objections to title any of the matters listed as "Permitted Encumbrances" on Schedule 4.2 attached hereto. If any objections are so made, the Seller shall be allowed thirty (30) days to make such title marketable. If such defects are cured within said thirty (30) day period, Purchaser shall be notified in writing of the curing of said defects, and Purchaser then shall be allowed ten (10) days after receipt of such notice to perform in accordance with the terms of this Agreement. If such title is not marketable and not made so within said thirty (30) day period and Purchaser do not waive, by written notice given to the Seller within ten days after the end of said thirty (30) day period, the curing of said defects, this Agreement shall be null and void, in which event neither Purchaser nor the Seller shall be liable for damages hereunder to the other. If Purchaser elects to waive said objections, it shall be allowed thirty (30) days after it so notifies the Seller to perform in accordance with the terms of this Agreement.

ARTICLE 5
INVESTIGATION

From and after the date hereof and through the Closing Date, Company and the Seller shall afford to the officers and representatives of Purchaser free access to the properties and records of the Company in order that Purchaser may have full opportunity to make such investigation at reasonable times as it shall desire of the assets and of the affairs of Company, including, without limitation, inspection of the Aircraft pursuant to Article 3, and Company and the Seller shall provide to Purchaser reasonable assistance in the conduct of said investigation.

Without limiting the generality of the foregoing, Purchaser, and its representatives and consultants, shall be permitted access to the Real Estate prior to Closing in order to inspect the same, conduct soil borings, environmental inspections and tests, which environmental inspections and tests may include, without limitation, soil tests, chemical tests, and installation of such monitoring wells as may be appropriate in Purchaser's opinion, and prepare a survey and take measurements. During such access, such personnel shall not cause any unreasonable interference with the Company's operations or damage to its assets, except as may be necessary to conduct an environmental inspection, provided Purchaser shall promptly repair any such

damage and restore the assets to their condition immediately prior to such damage. As part of such investigations, Purchaser or its representatives or consultants shall be permitted access to the building and other improvements located on the Real Estate.

Company and the Seller shall also provide Purchaser originals or reproductions of plans and specifications for the building located on the Real Estate (to the extent the same exist), including any available “as built” drawings, maintenance records, licenses, permits, reports and certificates and such other items relating to the construction, operation or environmental assessment of the Real Estate as may be in the possession of the Company or the Seller.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES
OF THE SELLER

Seller and the Company, jointly and severally, represent and warrant to Purchaser that, except as specifically set forth on the exhibits and schedules listed below, the following statements are true and correct as of the date of this Agreement and will be true and correct on the Closing Date as if made on said Date:

6.1 Title to Shares». As of the date of this Agreement, Seller holds beneficially and of record and has good and marketable title to the Shares set forth opposite such Seller’s name on Schedule I hereto, free and clear of any and all Encumbrances whatsoever, other than restrictions on transferability under the applicable U.S. federal and state securities laws. As of the Closing, Seller shall hold beneficially and of record and shall have good and marketable title to the Shares which are to be transferred to the Purchaser by such Seller pursuant hereto, as set forth opposite Seller’s name on Schedule 2.1 attached hereto, free and clear of any and all Encumbrances, other than restrictions on transferability under the applicable U.S. federal and state securities Laws.

6.2 The Company». The Company is a corporation duly organized and existing and in good standing under the laws of the State of Delaware and is entitled to own or lease its properties and to carry on its business as and in the places where such properties are now owned, leased or operated, or such business is now conducted.

The Company is qualified to do business as a foreign corporation in all jurisdictions in which the nature of the Company’s business, the location of its assets or other factors require it to be so qualified.

The Seller has delivered to Purchaser copies of the organizational documents of the Company, as currently in effect.

6.3 Authority; No Conflict».

(a) This Agreement constitutes the legal, valid, and binding obligation of the Seller, enforceable against the Seller in accordance with its terms. Upon the execution and delivery by the Seller of the Escrow Agreement, the Consulting Agreements, the Seller Release, and the Noncompetition Agreements (collectively, the “Seller’s Closing Documents”), the Seller’s Closing Documents will constitute the legal, valid, and binding

obligations of the Seller, enforceable against the Seller in accordance with their respective terms. The Seller have the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and the Seller's Closing Documents and to perform their obligations under this Agreement and the Seller's Closing Documents.

(b) Except as set forth in Schedule 6.3, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or result in a violation of (A) any provision of the organizational documents of the Company, or (B) any resolution adopted by the board of directors or the stockholders of the Company;

(ii) contravene, conflict with, or result in a violation of, or give any governmental body or other person the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under, any legal requirement or any governmental order to which the Company or any Seller, or any of the assets owned or used by the Company, may be subject;

(iii) contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any governmental body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any governmental authorization that is held by the Company or that otherwise relates to the business of, or any of the assets owned or used by, the Company;

(iv) cause Purchaser or the Company to become subject to, or to become liable for the payment of, any tax;

(v) cause any of the assets owned by the Company to be reassessed or revalued by any taxing authority or other governmental body;

(vi) contravene, conflict with, or result in a violation or breach of any provision of, or give any person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Contract; or

(vii) result in the imposition or creation of any Encumbrance upon or with respect to any of the assets owned or used by the Company.

(c) Except as set forth in Schedule 6.3, neither the Company nor any Company is or will be required to give any notice to or obtain any consent from any person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

(d) The Seller is acquiring the Promissory Notes for their own account and not with a view to their distribution within the meaning of Section 2(11) of the Securities Act. Seller is an "accredited investor" as such term is defined in Rule 501(a) under the Securities Act.

6.4 Capitalization». The authorized equity securities of the Company consist of _____ shares of common stock, par value \$ _____ per share, of which _____ shares are issued and outstanding and constitute the Shares. Seller is and will be on the Closing Date the record and beneficial owners and holders of the Shares, free and clear of all Encumbrances. With the exception of the Shares (which are owned by Seller), all of the outstanding equity securities and other securities of each subsidiary of the Company are owned of record and beneficially by either the Company or a wholly-owned subsidiary of the Company, free and clear of all Encumbrances. No legend or other reference to any purported Encumbrance appears upon any certificate representing equity securities of the Company. All of the outstanding equity securities of the Company have been duly authorized and validly issued and are fully paid and nonassessable. There are no Contracts relating to the issuance, sale, or transfer of any equity securities or other securities of the Company. None of the outstanding equity securities or other securities of the Company was issued in violation of the Securities Act or any other legal requirement. The Company does not own, or have any Contract to acquire, any equity securities or other securities of any Person (other than its subsidiaries) or any direct or indirect equity or ownership interest in any other business.

6.5 Financial Statements». The Company Statements are true, complete and correct and have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods indicated. The Company Statements fairly present the financial condition and assets and liabilities (whether accrued, absolute, contingent or otherwise) of the Company as of the dates indicated, and the results of operations of the Company for the periods then ended.

6.6 Interim Statements». The Interim Statements are true, complete and correct, have been prepared in accordance with generally accepted accounting principles, consistently followed, and fairly and accurately present the financial condition and assets and liabilities (whether accrued, absolute, contingent or otherwise) of the Company as of the dates indicated and the results of operations of the Company for the periods then ended.

6.7 No Undisclosed Liabilities». Except as set forth in Schedule 6.7, the Company has no liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) except for liabilities or obligations reflected or reserved against in the Company Statements or the Interim Statements and current liabilities incurred in the Ordinary Course of Business since the respective dates thereof.

6.8 Business Operations». The Business and its operations do not violate and have not in the past violated in any material respect any provisions of any currently applicable laws or regulations regarding the operation of businesses and there is no claim by or notice from any government instrumentality that the Company has violated or does violate any applicable laws or regulations regarding the operation of businesses.

6.9 Taxes».

(a) The Company has filed or caused to be filed (on a timely basis since 1999) all Tax Returns that are or were required to be filed by or with respect to it, either separately or as a member of a group of corporations. The Seller has delivered to Purchaser copies of,

and Schedule 6.9 contains a complete and accurate list of, all such Tax Returns filed since January 1, 1999. The Company has paid, or made provision for the payment of, all Taxes that have or may have become due pursuant to those Tax Returns or otherwise, or pursuant to any assessment received by the Company, except such Taxes, if any, as are listed in Schedule 6.9 and are being contested in good faith and as to which adequate reserves (determined in accordance with GAAP) have been provided in the Company Statements and the Interim Statements.

(b) The United States federal and state income Tax Returns of the Company have not been audited by the IRS or relevant state tax authorities or are closed by the applicable statute of limitations for all taxable years through 2006. Schedule 6.9 contains a complete and accurate list of all audits of all such Tax Returns, including a reasonably detailed description of the nature and outcome of each audit. All deficiencies proposed as a result of such audits have been paid, reserved against, settled, or, as described in Schedule 6.9, are being contested in good faith by appropriate proceedings. Schedule 6.9 describes all adjustments to the United States federal income Tax Returns filed by the Company or any group of corporations including the Company for all taxable years since _____, and the resulting deficiencies proposed by the IRS. Except as described in Schedule 6.9, no Seller nor the Company has given or been requested to give waivers or extensions (or is or would be subject to a waiver or extension given by any other person) of any statute of limitations relating to the payment of Taxes of the Company or for which the Company may be liable.

(c) The charges, accruals, and reserves with respect to Taxes on the respective books of the Company are adequate (determined in accordance with GAAP) and are at least equal to that the Company's liability for Taxes. There exists no proposed tax assessment against the Company except as disclosed in the Company Statements or in Schedule 6.9. No consent to the application of Section 341(f)(2) of the IRC has been filed with respect to any property or assets held, acquired, or to be acquired by the Company. All Taxes that the Company is or was required to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper governmental body or other person.

(d) All Tax Returns filed by (or that include on a consolidated basis) the Company are true, correct, and complete. There is no tax sharing agreement that will require any payment by the Company after the date of this Agreement. [The Company is not, nor within the five-year period preceding the Closing Date has been, an "S" corporation.] [During the consistency period (as defined in Section 338(h)(4) of the IRC with respect to the sale of the Shares to Purchaser), neither the Company nor any target affiliate (as defined in Section 338(h)(6) of the IRC with respect to the sale of the Shares to Purchaser) has sold or will sell any property or assets to the Purchaser or to any member of the affiliated group (as defined in Section 338(h)(5) of the IRC) that includes the Purchaser. Schedule 6.9 lists all such target affiliates.]

6.10 Other Operations». Neither the Company nor any of the Seller owns or controls, directly or indirectly (including through relatives), any divisions or other operations, nor do any subsidiaries or other affiliated or controlled corporations or entities of the Company or any of the Seller own or control, directly or indirectly, any divisions or operations, which provide services

similar to those provided by the Company.

During the past four years, each of the Company and the Seller, and any subsidiaries or affiliated or controlled entities of the Company or the Seller, have not sold, transferred or otherwise disposed of companies, assets or businesses selling products which compete with the products produced by the Company.

6.11 Contracts. Except as listed in Schedule 6.11, the Company is not a party to any written or oral:

- (i) contract, agreement or understanding for the employment of any officer, consultant, director or employee;
- (ii) contract, agreement or understanding with any labor union;
- (iii) contract, agreement or understanding for the purchase of any materials, supplies or equipment;
- (iv) contract, agreement or understanding for the sale of products or performance of services;
- (v) license or franchise agreement, either as licensor or licensee or franchisor or franchisee, including any related to intellectual property, or distributor, dealership or sales agency contract, agreement or understanding;
- (vi) lease for real or personal property (including, without limitation, the Aircraft) under which the Company is a lessor or lessee, or contract, agreement or understanding to purchase or sell real property or a material amount of personal property;
- (vii) pension, profit-sharing, bonus, deferred compensation, retirement or stock option or stock purchase plan in effect with respect to employees or others;
- (viii) contract or agreement granting to any person the right to use any property or property right of the Company, including any trademark or patent licensing agreement, contract or understanding;
- (ix) plan or contract or other arrangement providing for insurance for any officer, director or employee or member of their families;
- (x) construction contract;
- (xi) contract or agreement containing covenants by the Company not to compete in any line of business or with any person;
- (xii) joint venture contract or partnership or arrangement or other agreement involving a sharing of profits; or
- (xiii) contract or agreement relating to the borrowing or lending of

money by the Company, providing for letters of credit, or providing for any mortgage, lien or security interest upon any of the Company's assets; or

(xiv) any guaranties or indemnifications by the Company, except for the Company's obligations resulting from the endorsement of checks deposited for collection;

(xv) any contracts calling for payments by the Company in excess of \$ _____];

(xvi) other material contract, agreement or understanding.

The Seller has provided to Purchaser true, current, correct and complete copies of all of the Contracts, including all items specified in the preceding paragraph.

The Company has performed all obligations required to be performed by it to date under, and neither the Company nor any other party to each Contract is in default under, each of the Contracts, all of which are in full force and effect and enforceable by the Company in accordance with their terms. There is no event, which after notice or lapse of time or both, which would constitute a default under any such Contracts. The consummation of the transactions contemplated under this Agreement will not give rise to any violation or any default or event or condition which, after notice or lapse of time or both, would constitute a default under any such Contracts on the part of the Company. Except as stated on Schedule 6.11, the purchase of the Shares by Purchaser does not require the consent of any third party under any assignment or similar clause to any Contract.

6.12 Condition and Sufficiency of Assets». The buildings, plants, structures, and equipment of the Company are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, or equipment is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The building, plants, structures, and equipment of the Company are sufficient for the continued conduct of the Company's businesses after the Closing in substantially the same manner as conducted prior to the Closing.

6.13 Accounts Receivable». All accounts receivable of the Company that are reflected on the Company Statements or the Interim Statements or on the accounting records of the Company as of the Closing Date (collectively, the "Accounts Receivable") represent or will represent valid obligations arising from sales actually made or services actually performed in the ordinary course of business. Unless paid prior to the Closing Date, the Accounts Receivable are or will be as of the Closing Date current and collectible net of the respective reserves shown on the Company Statements or the Interim Statements or on the accounting records of the Company as of the Closing Date (which reserves are adequate and calculated consistent with past practice and, in the case of the reserve as of the Closing Date, will not represent a greater percentage of the Accounts Receivable as of the Closing Date than the reserve reflected in the Interim Statements represented of the Accounts Receivable reflected therein and will not represent a material adverse change in the composition of such Accounts Receivable in terms of aging). Subject to such reserves, each of the Accounts Receivable either has been or will be collected in

full, without any set-off, within ninety days after the day on which it first becomes due and payable. There is no contest, claim, or right of set-off, other than returns in the ordinary course of business, under any Contract with any obligor of an Accounts Receivable relating to the amount or validity of such Accounts Receivable. Schedule 6.13 contains a complete and accurate list of all Accounts Receivable as of the date of the Interim Statements, which list sets forth the aging of such Accounts Receivable.

6.14 Inventory». All inventory of the Company, whether or not reflected in the Company Statements or the Interim Statements, consists of a quality and quantity usable and salable in the ordinary course of business, except for obsolete items and items of below-standard quality, all of which have been written off or written down to net realizable value in the Company Statements or the Interim Statements or on the accounting records of the Company as of the Closing Date, as the case may be. All inventories not written off have been priced at the lower of cost or [market] [net realizable value] on a [last in, first out] [first in, first out] 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 Company.

6.15 Equipment». Except as may be set forth on Schedule 6.15, all items included in the Equipment are located on the premises of the Company, and are in good condition and repair, ordinary wear and tear excepted.

6.16 Insurance».

(a) Seller has delivered to the Purchaser¹:

(i) true and complete copies of all policies of insurance to which the Company is a party or under which the Company, or any director of the Company, is or has been covered at any time within the ____ years preceding the date of this Agreement;

(ii) true and complete copies of all pending applications for policies of insurance; and

(iii) any statement by the auditor of the Company's financial statements with regard to the adequacy of such entity's coverage or of the reserves for claims.

(b) Schedule 6.16 describes:

(i) any self-insurance arrangement by or affecting the Company, including any reserves established thereunder;

(ii) any contract or arrangement, other than a policy of insurance, for the transfer or sharing of any risk by the Company; and

¹ To be revised to include specifics on aviation liability and hull policies carried by the Company. Please provide a copy of a recent insurance certificate for review.

(iii) all obligations of the Company to third parties with respect to insurance (including such obligations under leases and service agreements) and identifies the policy under which such coverage is provided.

(c) Schedule 6.16 sets forth, by year, for the current policy year and each of the [three (3)] preceding policy years:

(i) a summary of the loss experience under each policy;

(ii) a statement describing each claim under an insurance policy for an amount in excess of [\$_____], which sets forth:

1. the name of the claimant;
2. a description of the policy by insurer, type of insurance, and period of coverage; and
3. the amount and a brief description of the claim; and
4. a statement describing the loss experience for all claims that were self-insured, including the number and aggregate cost of such claims.

(d) Except as set forth on Schedule 6.16:

(i) All policies to which the Company is a party or that provide coverage to any of Seller, the Company, or any director or officer of the Company:

1. are valid, outstanding, and enforceable;
2. are issued by an insurer that is financially sound and reputable;
3. taken together, provide adequate insurance coverage for the assets and the operations of the Company for all risks normally insured against by a Person carrying on the same business or businesses as the Company;
4. are sufficient for compliance with all legal requirements and Contracts to which the Company is a party or by which any of them is bound;
5. will continue in full force and effect following the consummation of the Contemplated Transactions; and
6. do not provide for any retrospective premium adjustment or other experienced-based liability on the part of the Company.

(ii) None of the Seller nor the Company has received (A) any refusal of coverage or any notice that a defense will be afforded with reservation of rights, or (B) any notice of cancellation or any other indication that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or

able to perform its obligations thereunder.

(iii) The Company has paid all premiums due, and has otherwise performed all of its respective obligations, under each policy to which the Company is a party or that provides coverage to the Company or director thereof.

(iv) The Company has given notice to the insurer of all claims that may be insured thereby.

(v) The Company will provide copies of all current in force policies to the insurance representative of the Purchaser; Arthur J. Gallagher, Risk Management Services, Inc., Attn: James P. Tobenfeld at 250 Park Avenue, 3rd floor, New York, NY 10177.

6.17 Real Estate».

(a) The Company has good and marketable title in fee simple to the Real Estate listed as owned on Schedule 6.17, including the buildings and improvements thereon, free and clear of all encumbrances, charges, easements, restrictions, rights and conditions, other than as reflected in Schedule 6.17.

(b) The Company's present use of the Real Estate, and the other assets located thereon, complies with all federal, state and local laws, regulations, zoning and, other ordinances, and private restrictions which are applicable to the Real Estate and the other assets located thereon.

(c) There are no pending, proposed or threatened changes in any zoning ordinances which apply to the Real Estate.

(d) Except as set forth in Schedule 6.17 attached hereto, no condition exists and no activity has ever been conducted at the Real Estate which has given rise to, or may give rise to, any liability under any applicable federal, state or local environmental protection, health, safety or similar law, statutory or common.

(e) There are no public improvements (water, sewer, sidewalk, street, alley, curbing, etc.) or condemnation actions affecting the Real Estate or other assets thereon which have been completed or are in progress and for which assessments may be levied after closing. The Seller has no knowledge of any planned improvements which may result in assessments or condemnation actions.

(f) All utilities, including but not limited to, telephone, city sewer, city water, electricity, gas and any other utilities necessary for the operations of the assets, are available, connected and operational, and adequate for conducting the operations of the Real Estate and the other assets.

(g) No portion of the Real Estate other than as indicated on Schedule 6.17 and Schedule 6.11 is the subject of any lease or leasehold interest contract or agreement for use of the Real Estate.

(h) The Real Estate has direct legal access to, abuts, and is served by a publicly dedicated and maintained road known as _____. This road provides a valid means of ingress and egress to and from the Real Estate, sufficient for the present operation of the Real Estate and the assets thereon.

(i) The building, structures and improvements included in the Real Estate are in good condition and repair, ordinary wear and tear excepted, and there is no material defect or wear and tear to any such building, structure or improvement, or any other deterioration, damage or defect, which would prohibit or impair the continued use of such buildings, structures or improvements for the purposes for which they are now employed, or which would require any material expenditure for repair or replacement.

(j) Any existing easements, including, but not limited to, those upon, above or below the Real Estate, will not interfere with Purchaser's intended use of the Real Estate and the assets thereon.

(k) There are no underground tanks or wells on the Real Estate, nor are there any transformers, capacitors or other appliances in use or stored upon the Real Estate which contain PCB'S. There is no urea-formaldehyde insulation and no asbestos on the Real Estate. There is no hazardous substance or hazardous waste (hereinafter a "Hazardous Substance"), as defined in the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), or the Resource Conservation and Recovery Act of 1976 ("RCRA") _____ or any other applicable federal, state or local environmental laws, statutes or regulations or as defined in 42 U.S.C. 3251, as amended, located anywhere in or on the Real Estate. No condition exists, and no activity has ever been conducted at the Real Estate or adjoining properties which has given rise to, or may give rise to, any liability or obligation under any applicable federal, state or local environmental protection, health, safety, or similar law, whether statutory or common law.

(l) Except in the ordinary course of its own business where the Company has complied with the legal requirements applicable thereto, the Company has not engaged in the business of generating, transporting, storing, treating or disposing of Hazardous Substances in or on the Real Estate; the Real Estate has not been used for the storing or disposal of waste or for storing or disposal of Hazardous Substances prior to or during the period that the Company has been an owner of the Real Estate; and neither the Real Estate nor any of its various components contains, is composed of, or emits any hazardous, toxic, or contaminated chemicals, substances, materials or pollutants or other Hazardous Substances. The Company and Seller hereby agree, jointly and severally, to indemnify Purchaser from and against any and all liability which is the result of a release or threatened release of Hazardous Substances deposited, stored, disposed of, placed on or which otherwise came to be located on the Real Estate, or which is the result of the existence or emission of any hazardous, toxic or contaminated chemicals, substances, materials or pollutants or other Hazardous Substances in, on or from the Real Estate during or prior to the period of the Company's ownership or possession of the Real Estate.

(m) The Company is not a party to, and is not currently threatened with, any legal action or other proceeding before any court or administrative agency relating to or

affecting the Real Estate or any portion thereof. The Company has not been charged with, and is not under investigation regarding any violation of any law or administrative regulation, federal, state or local concerning the Real Estate.

6.18 Assets Complete, Etc. The assets which will be owned by the Company at Closing include (i) all assets used in or necessary for the operation of Company's business, and (ii) except for assets leased under leases disclosed herein, except for inventory and supplies utilized in the ordinary course of business, and except for non-material items of personal property owned by employees, all assets are presently located at the Company.

The Company does not lease or otherwise use any property owned by third parties in its operations, except as may occur under leases disclosed as Contracts hereunder. The Company does not lease to any third party any of the [Real Estate] or other assets.

Since [_____], 2014, no assets of any kind used by the Company or located at or on the [Real Estate], have been removed, transferred or disposed of except for sales of inventory and utilization of supplies in the ordinary course of business of the Company.

6.19 Litigation. Except as set forth on Schedule 6.19, there are no claims, actions, suits, proceedings or investigations (whether or not purportedly on behalf of the Company or the Seller) pending or threatened against or affecting the Company, the Seller, the Business or any assets of the Company, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign, nor has any such action, suit, proceeding or investigation been pending during the 12-month period preceding the date hereof. There is no reasonable basis for any claim, action, suit, proceeding or investigation against or affecting the Company, the Seller, the Business or the Company's assets. The Company is not operating under or subject to, or in default with respect to, any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign.

6.20 Compliance with Laws. The Company and its business and operations have complied with, and comply with, all applicable laws, regulations and orders applicable to the Company, its business and its assets, including without limitation CERCLA, RCRA, the Occupational Safety & Health Act, the Clean Air Act, the Clean Water Act, the Atomic Energy Act, the Toxic Substances Control Act, the Safe Drinking Water Act, and the Refuse Act, and the present conduct by the Company of its business does not violate any such laws, regulations and orders.

6.21 Intellectual Property. Schedule 6.21 lists all service marks, patents, trademarks, trade names, trademark and trade name registrations, brand names, copyrights and copyright registrations, all pending applications for any of the foregoing, and any other proprietary rights, inventions, trade secrets, or know-how or processes (hereinafter the foregoing are collectively referred to as "Intellectual Property") used in the operation of the Company's business, or owned by the Company, and any licenses granted by or to the Company, and any other agreements to which it is a party, which relate, in whole or in part, to Intellectual Property. Said Schedule 6.21 further includes a brief description of the filing, registration or issuance dates of any such Intellectual Property. The Company owns or is licensed to use, all Intellectual Property used by

it in the conduct of its business as currently conducted. The use by the Company of any such Intellectual Property, and the conduct by the Company of its business, does not infringe on the rights of any third party, and no claim has been asserted to such effect or otherwise affecting any Intellectual Property of the Company.

6.22 Labor Relations; Compliance ». Since January 1, 2012, the Company has not been and is not now a party to any collective bargaining or other labor Contract. Since January 1, 2014, there has not been, there is not presently pending or existing, and to Seller's actual knowledge there is not threatened, (a) any strike, slowdown, picketing, work stoppage, or employee grievance process, (b) any proceeding against or affecting the Company relating to the alleged violation of any legal requirement pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission, or any comparable governmental body, organizational activity, or other labor or employment dispute against or affecting the Company or its premises, or (c) any application for certification of a collective bargaining agent. No event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute. There is no lockout of any employees by the Company, and no such action is contemplated by the Company. the Company has complied in all respects with all legal requirements relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, occupational safety and health, and plant closing. The Company is liable for the payment of any compensation, damages, taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing legal requirements.

6.23 Employee Benefits».

(a) As used in this Section 6.23, the following terms have the meanings set forth below.

“Company Other Benefit Obligation” means an Other Benefit Obligation owed, adopted, or followed by the Company or an ERISA Affiliate of the Company.

“Company Plan” means all Plans of which the Company or an ERISA Affiliate of the Company is or was a Plan Sponsor, or to which the Company or an ERISA Affiliate of the Company otherwise contributes or has contributed, or in which the Company or an ERISA Affiliate of the Company otherwise participates or has participated. All references to Plans are to Company Plans unless the context requires otherwise.

“Company VEBA” means a VEBA whose members include employees of the Company or any ERISA Affiliate of the Company.

“ERISA Affiliate” means, with respect to the Company, any other person that, together with the Company, would be treated as a single employer under IRC § 414.

“Multi-Employer Plan” has the meaning given in ERISA § 3(37)(A).

“Other Benefit Obligations” means all obligations, arrangements, or customary practices, whether or not legally enforceable, to provide benefits, other than salary, as compensation for services rendered, to present or former directors, employees, or agents, other than obligations, arrangements, and practices that are Plans. Other Benefit Obligations include consulting agreements under which the compensation paid does not depend upon the amount of service rendered, sabbatical policies, severance payment policies, and fringe benefits within the meaning of IRC § 132.

“PBGC” means the Pension Benefit Guaranty Corporation, or any successor thereto.

“Pension Plan” has the meaning given in ERISA § 3(2)(A).

“Plan” has the meaning given in ERISA § 3(3).

“Plan Sponsor” has the meaning given in ERISA § 3(16)(B).

“Qualified Plan” means any Plan that meets or purports to meet the requirements of IRC § 401(a).

“Title IV Plans” means all Pension Plans that are subject to Title IV of ERISA, 29 U.S.C. § 1301 et seq., other than Multi-Employer Plans.

“VEBA” means a voluntary employees’ beneficiary association under IRC § 501(c)(9).

“Welfare Plan” has the meaning given in ERISA § 3(1).

(b) As to the Company:

(i) Schedule 6.23(b)(i) contains a complete and accurate list of all Company Plans, Company Other Benefit Obligations, and Company VEBAs, and identifies as such all Company Plans that are (A) defined benefit Pension Plans, (B) Qualified Plans, (C) Title IV Plans, or (D) Multi-Employer Plans.

(ii) Schedule 6.23(b)(ii) contains a complete and accurate list of (A) all ERISA Affiliates of the Company, and (B) all Plans of which any such ERISA Affiliate is or was a Plan Sponsor, in which any such ERISA Affiliate participates or has participated, or to which any such ERISA Affiliate contributes or has contributed.

(iii) Schedule 6.23(b)(iii) sets forth, for each Multi-Employer Plan, as of its last valuation date, the amount of potential withdrawal liability of the Company and the Company’s other ERISA Affiliates, calculated according to information made available pursuant to ERISA § 4221(e).

(iv) Schedule 6.23(b)(iv) sets forth a calculation of the liability of the Company for post-retirement benefits other than pensions, made in accordance with Financial Accounting Statement 106 of the Financial Accounting Standards Board, regardless of whether the Company is required by this statement to disclose such information.

(v) Schedule 6.23(b)(v) sets forth the financial cost of all obligations owed under any Company Plan or Company Other Benefit Obligation that is not subject to the disclosure and reporting requirements of ERISA.

(c) The Seller has delivered to Purchaser, or will deliver to Purchaser within ten days of the date of this Agreement:

(i) all documents that set forth the terms of each Company Plan, Company Other Benefit Obligation, or Company VEBA and of any related trust, including (A) all plan descriptions and summary plan descriptions of Company Plans for which the Company is required to prepare, file, and distribute plan descriptions and summary plan descriptions, and (B) all summaries and descriptions furnished to participants and beneficiaries regarding Company Plans, Company Other Benefit Obligations, and Company VEBAs for which a plan description or summary plan description is not required;

(ii) all personnel, payroll, and employment manuals and policies;

(iii) all collective bargaining agreements pursuant to which contributions have been made or obligations incurred (including both pension and welfare benefits) by the Company and the ERISA Affiliates of the Company, and all collective bargaining agreements pursuant to which contributions are being made or obligations are owed by such entities;

(iv) a written description of any Company Plan or Company Other Benefit Obligation that is not otherwise in writing;

(v) all registration statements filed with respect to any Company Plan;

(vi) all insurance policies purchased by or to provide benefits under any Company Plan;

(vii) all contracts with third party administrators, actuaries, investment managers, consultants, and other independent contractors that relate to any Company Plan, Company Other Benefit Obligation, or Company VEBA;

(viii) all reports submitted within the four years preceding the date of this Agreement by third party administrators, actuaries, investment managers, consultants, or other independent contractors with respect to any Company Plan, Company Other Benefit Obligation, or Company VEBA;

(ix) all notifications to employees of their rights under ERISA § 601 et

seq. and IRC § 4980B;

(x) the Form 5500 filed in each of the most recent three plan years with respect to each Company Plan, including all schedules thereto and the opinions of independent accountants;

(xi) all notices that were given by the Company or any ERISA Affiliate of the Company or any Company Plan to the IRS, the PBGC, or any participant or beneficiary, pursuant to statute, within the four years preceding the date of this Agreement, including notices that are expressly mentioned elsewhere in this Section 6.23;

(xii) all notices that were given by the IRS, the PBGC, or the Department of Labor to the Company, any ERISA Affiliate of the Company, or any Company Plan within the four years preceding the date of this Agreement;

(xiii) with respect to Qualified Plans and VEBAs, the most recent determination letter for each Plan of the Company that is a Qualified Plan; and

(xiv) with respect to Title IV Plans, the Form PBGC-1 filed for each of the three most recent plan years.

(d) Except as set forth in Schedule 6.23(d):

(i) The Company has performed all of its obligations under all Company Plans, Company Other Benefit Obligations, and Company VEBAs. The Company has made appropriate entries in its financial records and statements for all obligations and liabilities under such Plans, VEBAs, and Obligations that have accrued but are not due.

(ii) No statement, either written or oral, has been made by the Company to any person with regard to any Plan or Other Benefit Obligation that was not in accordance with the Plan or Other Benefit Obligation and that could have an adverse economic consequence to the Company or to Purchaser.

(iii) The Company, with respect to all Company Plans, Company Other Benefits Obligations, and Company VEBAs, are, and each Company Plan, Company Other Benefit Obligation, and Company VEBA is, in full compliance with ERISA, the IRC, and other applicable laws including the provisions of such laws expressly mentioned in this Section 6.23, and with any applicable collective bargaining agreement.

7. No transaction prohibited by ERISA § 406 and no “prohibited transaction” under IRC § 4975(c) have occurred with respect to any Company Plan.

8. The Company has no liability to the IRS with respect to any Plan, including any liability imposed by Chapter 43 of the IRC.

9. The Company has no liability to the PBGC with respect to any Plan or has any liability under ERISA § 502 or § 4071.

10. All filings required by ERISA and the IRC as to each Plan have been timely filed, and all notices and disclosures to participants required by either ERISA or the IRC have been timely provided.

11. All contributions and payments made or accrued with respect to all Company Plans, Company Other Benefit Obligations, and Company VEBAs are deductible under IRC § 162 or § 404. No amount, or any asset of any Company Plan or Company VEBA, is subject to tax as unrelated business taxable income.

(iv) Each Company Plan can be terminated within thirty days, without payment of any additional contribution or amount and without the vesting or acceleration of any benefits promised by such Plan.

(v) Since _____, 2014, there has been no establishment or amendment of any Company Plan, Company VEBA, or Company Other Benefit Obligation.

(vi) No event has occurred or circumstance exists that could result in a material increase in premium costs of Company Plans and Company Other Benefit Obligations that are insured, or a material increase in benefit costs of such Plans and Obligations that are self-insured.

(vii) Other than claims for benefits submitted by participants or beneficiaries, no claim against, or legal proceeding involving, any Company Plan, Company Other Benefit Obligation, or Company VEBA is pending or, to Seller's actual knowledge, is threatened.

(viii) No Company Plan is a stock bonus, pension, or profit-sharing plan within the meaning of IRC § 401(a).

(ix) Each Qualified Plan of the Company is qualified in form and operation under IRC § 401(a); each trust for each such Plan is exempt from federal income tax under IRC § 501(a). The Company VEBA is exempt from federal income tax. No event has occurred or circumstance exists that will or could give rise to disqualification or loss of tax-exempt status of any such Plan or trust.

(x) The Company and each ERISA Affiliate of the Company has met the minimum funding standard, and has made all contributions required, under ERISA § 302 and IRC § 402.

(xi) No Company Plan is subject to Title IV of ERISA.

(xii) The Company has paid all amounts due to the PBGC pursuant to ERISA § 4007.

(xiii) Neither the Company nor any ERISA Affiliate of the Company has ceased operations at any facility or has withdrawn from any Title IV Plan in a manner that would subject the Company or Seller to liability under ERISA § 4062(e), § 4063, or § 4064.

(xiv) Neither the Company nor any ERISA Affiliate of the Company has filed a notice of intent to terminate any Plan or has adopted any amendment to treat a Plan as terminated. The PBGC has not instituted proceedings to treat any Company Plan as terminated. No event has occurred or circumstance exists that may constitute grounds under ERISA § 4042 for the termination of, or the appointment of a trustee to administer, any Company Plan.

(xv) No amendment has been made, or is reasonably expected to be made, to any Plan that has required or could require the provision of security under ERISA § 307 or IRC § 401(a)(29).

(xvi) No accumulated funding deficiency, whether or not waived, exists with respect to any Company Plan; no event has occurred or circumstance exists that may result in an accumulated funding deficiency as of the last day of the current plan year of any such Plan.

(xvii) The actuarial report for each Pension Plan of the Company and each ERISA Affiliate of the Company fairly presents the financial condition and the results of operations of each such Plan in accordance with GAAP.

(xviii) Since the last valuation date for each Pension Plan of the Company and each ERISA Affiliate of the Company, no event has occurred or circumstance exists that would increase the amount of benefits under any such Plan or that would cause the excess of Plan assets over benefit liabilities (as defined in ERISA § 4001) to decrease, or the amount by which benefit liabilities exceed assets to increase.

(xix) No reportable event (as defined in ERISA § 4043 and in regulations issued thereunder) has occurred.

(xx) No Seller has actual knowledge of any facts or circumstances that may give rise to any liability of any Seller, the Company, or Purchaser to the PBGC under Title IV of ERISA.

(xxi) Neither the Company nor any ERISA Affiliate of the Company has ever established, maintained, or contributed to or otherwise participated in, or had an obligation to maintain, contribute to, or otherwise participate in, any Multi-Employer Plan.

(xxii) Neither the Company nor any ERISA Affiliate of the Company has withdrawn from any Multi-Employer Plan with respect to which there is any outstanding liability as of the date of this Agreement. No event has occurred or circumstance exists that presents a risk of the occurrence of any withdrawal from,

or the participation, termination, reorganization, or insolvency of, any Multi-Employer Plan that could result in any liability of either the Company or Purchaser to a Multi-Employer Plan.

(xxiii) Neither the Company nor any ERISA Affiliate of the Company has received notice from any Multi-Employer Plan that it is in reorganization or is insolvent, that increased contributions may be required to avoid a reduction in plan benefits or the imposition of any excise tax, or that such Plan intends to terminate or has terminated.

(xxiv) No Multi-Employer Plan to which the Company or any ERISA Affiliate of the Company contributes or has contributed is a party to any pending merger or asset or liability transfer or is subject to any proceeding brought by the PBGC.

(xxv) Except to the extent required under ERISA § 601 et seq. and IRC § 4980B, the Company does not provide health or welfare benefits for any retired or former employee and is not obligated to provide health or welfare benefits to any active employee following such employee's retirement or other termination of service.

(xxvi) The Company has the right to modify and terminate benefits to retirees (other than pensions) with respect to both retired and active employees.

(xxvii) The Seller and the Company have complied with the provisions of ERISA § 601 et seq. and IRC § 4980B.

(xxviii) No payment that is owed or may become due to any director, officer, employee, or agent of the Company will be non-deductible to the Company or subject to tax under IRC § 280G or § 4999; nor will the Company be required to "gross up" or otherwise compensate any such person because of the imposition of any excise tax on a payment to such person.

(xxix) The consummation of the Contemplated Transactions will not result in the payment, vesting, or acceleration of any benefit.

6.24 Changes in Suppliers. The Seller is not aware of any facts which indicate that any supplier to the Company intends to cease doing business with the Company, or to not do business with Purchaser after the Closing hereunder, whether as a result of the transactions contemplated hereby or otherwise.

6.25 Conduct of Business. Since the ending date of the most recent Company Statement and until the Closing Date, the Company has not and will not have:

(i) changed its authorized or issued capital stock; granted any stock option or right to purchase shares of capital stock of the Company; issued any security convertible into such capital stock; granted any registration rights; purchased, redeemed, retired, or otherwise acquired any shares of any such capital stock; or declared or paid

any dividend or other distribution or payment in respect of shares of capital stock;

(ii) amended its charter documents;

(iii) incurred any Liabilities or Obligations (absolute or contingent), except for Liabilities and Obligations disclosed in the Interim Statement, or in the schedules annexed hereto, and except for such Liabilities and Obligations as have arisen in the ordinary course of business of the Company since the date of the Interim Statement, none of which newly arisen Liabilities and Obligations have a material adverse effect upon the Company, its assets, or the Company's organization, business, properties, or financial condition;

(iv) mortgaged, pledged or subjected to any lien, charge or other encumbrance, any of its assets, tangible or intangible;

(v) sold or transferred any assets, other than sales of inventory or utilization of supplies in the ordinary course of business;

(vi) sold, assigned or transferred any Intellectual Property, or other intangible assets of the Company or relating the Company's business;

(vii) suffered any extraordinary losses or waived any rights of substantial value relating to the Company's business;

(viii) suffered any damage, destruction or loss to any assets, whether or not covered by insurance;

(ix) entered into any transaction involving or relating to the Company's business other than in the ordinary course of business;

(x) increased the compensation payable, or to become payable by the Company to any of its employees including, but not limited to, any bonus payment or deferred compensation;

(xi) made or suffered any amendment or termination of any Contracts;

(xii) increased any benefits to employees of the Company under pension, insurance or other employee benefit programs;

(xiii) changed its methods of accounting in any respect;

(xiv) acquired a significant portion of the assets or stock of any person or business entity; or

(xv) suffered a termination of, or amended, any license or permit.

6.26 Employees.

(a) Schedule 6.26 contains a complete and accurate list of the following

information for each employee, officer and director of the Company, including each employee on leave of absence or layoff status: employer; name; job title; current compensation paid or payable and any change in compensation since January 1, 2014; vacation accrued; and service credited for purposes of vesting and eligibility to participate under the Company's pension, retirement, profit-sharing, thrift-savings, deferred compensation, stock bonus, stock option, cash bonus, employee stock ownership (including investment credit or payroll stock ownership), severance pay, insurance, medical, welfare, or vacation plan, other employee pension benefit plan or employee welfare benefit plan, or any other employee benefit plan.

(b) No employee, officer or director of the Company is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality, noncompetition, or proprietary rights agreement, between such employee or director and any other Person ("Proprietary Rights Agreement") that in any way adversely affects or will affect (i) the performance of his duties as an employee or director of the Company, or (ii) the ability of the Company to conduct its business, including any Proprietary Rights Agreement with any Seller or the Company by any such employee or director. To the actual knowledge of the Seller, no director, officer, or other key employee of the Company intends to terminate his employment with the Company.

(c) Schedule 6.26 also contains a complete and accurate list of the following information for each retired employee, officer or director of the Company, or their dependents, receiving benefits or scheduled to receive benefits in the future: name, pension benefit, pension option election, retiree medical insurance coverage, retiree life insurance coverage, and other benefits.

6.27 Certain Payments». Neither the Company nor any director, officer, agent, or employee of the Company, nor, to the actual knowledge of the Seller, any other person associated with or acting for or on behalf of the Company, has directly or indirectly:

(a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any person, private or public, regardless of form, whether in money, property, or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of the Company or any affiliate of the Company, or (iv) in violation of any legal requirement to which the Company or such person is subject, or

(b) established or maintained any fund or asset that has not been recorded in the books and records of the Company.

6.28 Licenses and Permits». All licenses, permits, franchises, approvals and governmental authorizations required for the Company, its business, the Company's assets, or their operations, including, without limitation, the Certificate, are listed on Schedule 6.28. No other licenses, permits, franchises, approvals or other governmental authorizations are required for the Company, its business, or its operations as heretofore conducted by the Company. True, current, correct and complete copies of such licenses, permits, franchises, approvals, and

governmental authorizations have been delivered by the Seller to Purchaser. The Company has performed in all material respects all obligations required to be performed by it to date under, and is not in default under, any such licenses, permits, franchises, approvals, or governmental authorizations or the laws, regulations and requirements of the licensing and permit authorities. All such licenses, permits, franchises, approvals, and governmental authorizations are in full force and effect. Except as set forth on Schedule 6.28 all such licenses, permits, franchises, approvals, and governmental authorizations will be retained by the Company at the Closing. Seller will use their best efforts to assist Purchaser in having any such licenses, permits, franchises, approvals, and governmental authorizations retained by the Company or issued in Purchaser's name, as appropriate.

6.29 Suppliers». Schedule 6.29 attached hereto lists all significant suppliers of products or services to the Company.

6.30 Related Parties». Except as listed on Schedule 6.30, the Company does not have any contracts, dealings, or business arrangements with any Related Parties, as defined below. For these purposes "Related Parties" means the Seller and persons related to either of the Seller, any corporations or other business entities controlled by the Seller or such relatives, and any corporations or business entities controlled by or affiliated with the Company. All such contracts, dealings or business arrangements disclosed on said schedule are on terms, length, price and terms equivalent to those which would be obtained if the same were with an unrelated third party, and on a fair market, arms-length basis.

6.31 Material Change». Since the date of the most recent Company Statement there has been no material change in the condition, financial or otherwise, of the Company or the Company's business from that shown in said Statement, except changes occurring in the ordinary course of business, which changes have not materially adversely affected the Company's organization, business, properties or financial condition.

No statute, order, judgment, writ, injunction, decree, permit, rule or regulation of any court or governmental or regulatory body has been adopted or entered, or is proposed to be adopted or entered, which may materially and adversely affect the Company, its assets or its business. There has been no event or occurrence affecting the Company, its assets, or the business of the Company which may have a material adverse effect upon the Company's business, prospects or assets.

6.32 Disclosure». No representation or warranty made by the Company or Seller herein or in any agreements, certificates or documents delivered in connection with this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make such representation or warranty not misleading. Seller and the Company have made full disclosure of all relevant issues concerning this transaction as they themselves would require if they were the Purchaser, and, the lack of the Purchaser to have sufficient information upon which to ask for definition of a relevant issue shall not constitute a defense against the Purchaser for not asking about conditions that would reveal any issue that affects the value received in the transaction by the Purchaser.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES BY PURCHASER

Purchaser represent and warrant to the Seller that the following statements are true and correct as of the date of this Agreement and will be true and correct on the Closing Date as if made on said date:

7.1 Organization and Standing». Purchaser is a corporation duly organized, existing and in good standing under the laws of the State of Minnesota.

7.2 No Conflict». The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not (a) result in a breach of any of the terms or conditions of, or constitute a default under, any mortgage, note, bond, indenture, agreement, license or other instrument or obligation to which Purchaser is a party or by which it or any of its properties or assets may be bound or affected, or (b) violate any order, writ, injunction or decree of any court, administrative agency or governmental body, or (c) conflict with or result in the breach of the terms, conditions or provisions of the Articles of Incorporation or Bylaws of the Purchaser.

7.3 Authority». Purchaser have full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby, and all corporate and other proceedings required to be taken by Purchaser in connection with this Agreement and the transactions contemplated hereby and necessary to make the same effective have been duly and validly taken. This Agreement constitutes a valid and binding obligation of Purchaser and is enforceable in accordance with its terms.

7.4 Certain Proceedings». There is no pending proceeding that has been commenced against Purchaser and that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions. To Purchaser's actual knowledge, no such proceeding has been threatened.

ARTICLE 8 COVENANTS OF THE SELLER

8.1 Action by the Company or the Seller». Neither the Company nor the Seller will take or permit to be taken any action or do or permit to be done anything in the conduct of its business or otherwise, which would be contrary to or in breach of any of the terms, conditions or provisions of this Agreement, or which would cause any of the representations and warranties of the Seller to be untrue as of the Closing Date or any time thereafter.

8.2 Fees». The Seller shall pay all fees and disbursements of counsel and accountants for the Seller arising in connection with this Agreement and the transactions contemplated hereby.

8.3 Further Assurances». On the Closing Date, and from time to time thereafter, at the request of Purchaser, the Seller will execute and deliver to Purchaser all such assignments, endorsements and other documents, and take such other action as Purchaser may reasonably request in order more effectively to transfer and assign to Purchaser the Shares transferred to Purchaser pursuant to this Agreement, to confirm the title of Purchaser thereto and to assist

Purchaser in exercising its rights with respect thereto and under this Agreement.

8.4 Best Efforts». The Seller shall use their best efforts to obtain at the earliest practical date after the date hereof, and prior to the Closing Date, all necessary consents to the transactions contemplated by this Agreement, including consents from parties to Contracts and from governmental entities.

8.5 No Shop». Neither the Company nor the Seller nor any of them, shall not directly or indirectly, solicit, initiate or encourage the submission of any proposal or offer from any third party relating to any acquisition or purchase all (other than in the ordinary course of business) or any portion of the assets or stock of the Company or any business combination with the Company, or participate in any negotiations regarding or furnish to any other third party any information with respect to, or otherwise cooperate in any way with, or assist to participate in, facilitate or encourage any effort or attempt by any third person to do or seek any of the foregoing transactions. The Seller shall notify Purchaser promptly of any such proposal or offer, inquiry or contact with any third party, and shall in any such notice indicate in reasonable detail the identity of the third party making such proposal, offer, inquiry or contact.

8.6 Notification of Breaches or Potential Breaches». The Company and the Seller shall give prompt notice to Purchaser or (i) the occurrence or nonoccurrence of any event which is likely to cause any representation or warranty contained in this Agreement to be untrue or inaccurate, and (ii) any failure of the Company or the Seller to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by any of them hereunder; provided, however, that delivery of any such notice pursuant to this section shall not limit or otherwise affect the remedies available hereunder to the Purchaser.

8.7 Non-Compete Agreement; Consulting Agreement». At the Closing, Purchaser and the Seller shall enter into the Non-Compete Agreement in the form of Exhibit A annexed hereto. At the Closing, the Key Personnel shall enter into a Consulting Agreement in the form of Exhibit B attached hereto.

ARTICLE 9 NO BROKERS OR FINDERS

The Seller and Purchaser represent and warrant to each other that each did not directly or indirectly engage any person, corporation or partnership to bring about the consummation of the transactions contemplated herein, and, that no person, corporation or partnership is entitled to a broker's commission, finder's fee or any similar compensation upon the consummation of the transactions contemplated herein. If this representation and warranty is breached by either the Seller or Purchaser, the breaching party shall indemnify and hold harmless the other party from any and all claims, demands, liabilities and obligations (and any and all expenses and costs incurred in connection with or in defending against the same), which may arise due to any third party's claim as a broker or finder.

ARTICLE 10 CONDITIONS PRECEDENT OF PURCHASER

Purchaser's obligation to purchase the Shares and to take the other actions required to be

taken by Purchaser at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Purchaser, in whole or in part):

10.1 Accuracy of Representations». All of the representations and warranties of Seller and the Company in this Agreement (considered collectively), and each of these representations and warranties (considered individually), must have been accurate in all material respects as of the date of this Agreement, and must be accurate in all material respects as of the Closing Date as if made on the Closing Date, without giving effect to any supplement to the Disclosure Letter.

10.2 Seller's Performance». All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), must have been duly performed and complied with in all material respects.

10.3 Consents». Any consents necessary for the Contemplated Transactions must have been obtained and must be in full force and effect.

10.4 No Proceedings». Since the date of this Agreement, there must not have been commenced or threatened against Purchaser, or against any Person affiliated with Purchaser, any Proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the Contemplated Transactions, or (b) that may have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the Contemplated Transactions.

10.5 No Claim Regarding Stock Ownership or Sale Proceeds». There must not have been made or threatened by any Person any claim asserting that such Person (a) is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any stock of, or any other voting, equity, or ownership interest in, any of the Acquired Companies, or (b) is entitled to all or any portion of the Purchase Price payable for the Shares.

10.6 No Prohibition». Neither the consummation nor the performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time), materially contravene, or conflict with, or result in a material violation of, or cause Purchaser or any person affiliated with Purchaser to suffer any material adverse consequence under, (a) any applicable legal requirement or order, or (b) any legal requirement or order that has been published, introduced, or otherwise proposed by or before any Governmental Body.

10.7 [Opinion of Seller's Counsel]». Purchaser shall have received an opinion of counsel to the Seller, dated the Closing Date, in form and substance acceptable to Purchaser and its counsel.]

10.8 Casualty». Prior to the Closing Date, the business and the assets of the Company, or any portion thereof, shall not have been adversely affected in any material way as a result of any fire, accident, flood or other casualty or act of God or the public enemy.

10.9 Adverse Development». There shall have been no developments in the business of the Company between the date of the Interim Statement and the Closing Date which would have a materially adverse effect on the Company's business.

10.10 Non-Compete Agreement». The Non-Compete Agreement (Exhibit A2.9(a)) shall have been executed and delivered by Seller to Purchaser.

10.11 Consulting Agreement». The Consulting Agreement (Exhibit B) shall have been executed and delivered by Seller to Purchaser.

10.12 Seller Release». The Seller Release (Exhibit D2.9(a)) shall have been executed and delivered by Seller to Purchaser.

10.13 Real Estate». All requirements relating to the Real Estate shall have been satisfied.

10.14 Investigations». Purchaser shall be satisfied with the results of its legal, accounting, business, environmental and other due diligence review of the Company's business and the assets, and shall be satisfied that there are no circumstances or matters, whether discovered in due diligence or otherwise arising, which affect adversely the basis upon which Purchaser determined to enter into the transactions contemplated hereby with the Company. Without limiting the generality of the foregoing, an environmental inspection of any of the Real Estate specified by Purchaser shall have been completed on behalf of Purchaser, and the results of said inspection shall be satisfactory to Purchaser, in its sole discretion.

10.15 Representations and Warranties True at Closing». The representations and warranties of Seller contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof or in connection with the transactions contemplated hereby, shall be true on and as of the Closing Date as though such representations and warranties were made at and as of such date.

10.16 Seller's Compliance with the Agreement». Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing Date.

10.17 Officers' Certificate». Seller shall deliver to the Purchaser a certificate of an officer or authorized signer of Seller, dated the Closing Date, certifying in such detail as the Purchaser may request to the fulfillment of the conditions specified in sections 10.16 and 10.17.

10.18 Injunction». There shall be no effective injunction, restraining order or order of any nature issued by a court of competent jurisdiction which shall direct that this Agreement, or any of the transactions provided for herein, not be consummated as herein provided.

ARTICLE 11 CONDITIONS PRECEDENT OF THE SELLER

The Seller's obligation to sell the Shares and to take the other actions required to be taken by the Seller at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the Seller, in whole or in part):

11.1 Accuracy of Representations». All of Purchaser's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties

(considered individually), must have been accurate in all material respects as of the date of this Agreement and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

11.2 Purchaser's Performance».

(a) All of the covenants and obligations that Purchaser is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), must have been performed and complied with in all material respects.

(b) Purchaser must have made the cash payments required to be made by Purchaser pursuant to Sections 2.5(b)(i) and 2.5(b)(ii).

11.3 Consents». Any consents necessary for the Contemplated Transactions must have been obtained and must be in full force and effect.

11.4 Additional Documents». Purchaser must have caused the following executed documents to be delivered to Seller:

(a) [an opinion of Fafinski, Mark & Johnson, P.A., dated the Closing Date, in the form of Exhibit _____]; and

(b) such other documents as the Seller may reasonably request for the purpose of (i) enabling their counsel to provide the opinion referred to in Section 7.4(a), (ii) evidencing the accuracy of any representation or warranty of Purchaser, (iii) evidencing the performance by Purchaser of, or the compliance by Purchaser with, any covenant or obligation required to be performed or complied with by Purchaser, (iv) evidencing the satisfaction of any condition referred to in this Article 11, or (v) otherwise facilitating the consummation of any of the Contemplated Transactions.

11.5 Representations and Warranties True at Closing». The representations and warranties of Purchaser contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof or in connection with the transactions contemplated hereby, shall be true on and as of the Closing Date as though such representations and warranties were made at and as of such date.

11.6 Purchaser's Compliance with the Agreement». Purchaser shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing Date.

11.7 Officers' Certificate». Purchaser shall deliver to the Seller a certificate of an officer or authorized signer of Purchaser, dated the Closing Date, certifying in such detail as the Seller may request to the fulfillment of the conditions specified in sections 11.5 and 11.6.

11.8 Injunction». There shall be no effective injunction, restraining order or order of any nature issued by a court of competent jurisdiction which shall direct that this Agreement, or any of the transactions provided for herein, not be consummated as herein provided.

ARTICLE 12
TERMINATION

12.1 Termination Events». This Agreement may, by notice given prior to or at the Closing, be terminated:

(a) by either Purchaser or Seller if a material breach of any provision of this Agreement has been committed by the other party and such breach has not been waived;

(b)

(i) by Purchaser if any of the conditions in Article 10 has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Purchaser to comply with its obligations under this Agreement) and Purchaser have not waived such condition on or before the Closing Date;

(ii) by Purchaser as set forth in Section 4.2;

(iii) by Seller, if any of the conditions in Article 11 has not been satisfied of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Seller to comply with their obligations under this Agreement) and Seller have not waived such condition on or before the Closing Date;

(iv) by mutual consent of Purchaser and Seller; or

(v) by either Purchaser or Seller if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before _____, 2014, or such later date as the parties may agree upon in writing.

12.2 Effect of Termination». Each party's right of termination under Section 12.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 12.1, all further obligations of the parties under this Agreement will terminate, except that the obligations in Sections 15.5 and 15.13 will survive; provided, however, that if this Agreement is terminated by a party because of the Breach of the Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE 13
INDEMNIFICATION

13.1 »Seller hereby agree that, notwithstanding the Closing, the delivery of instruments of conveyance, and regardless of any investigation at any time made by or on behalf of any party

hereto and of any knowledge or information any party hereto may have in respect thereof, the Seller, jointly and severally will indemnify, save and hold Purchaser harmless from and against any and all liabilities, losses, damages, claims, deficiencies, costs and expenses (including, without limitation, reasonable attorney fees and other costs and expenses incident to any suit, action or proceeding) arising out of or resulting from and will pay to Purchaser the amount of damages suffered thereby together with any amount-which it may pay or become obligated to pay on account of:

(a) the breach or inaccuracy of any warranty or representation by the Company or the Seller herein or any misstatement of a fact or facts herein made by the Company or the Seller;

(b) the failure by the Company or the Seller to state or disclose a material fact herein necessary in order to make the facts herein stated or disclosed not misleading;

(c) any failure of the Company or the Seller to perform or observe any term, provision, covenant or condition hereunder to be performed or observed;

(d) any act performed, transaction entered into, or state of facts suffered to exist by the Company or the Seller in violation of the terms of this Agreement.

In the event of any claim by Purchaser under this Article 13, Purchaser shall be entitled to exercise all remedies provided by law and/or equity with respect thereto; in addition Purchaser shall be entitled to offset the amount of such claim against any amounts due any of Seller.

ARTICLE 14 NATURE AND SURVIVAL OF REPRESENTATIONS

All statements contained in any documents, certificates or other instruments delivered by or on behalf of the Company, the Seller or Purchaser pursuant to this Agreement or in connection with the transactions contemplated hereby shall be deemed representations and warranties by the Company, the Seller or Purchaser hereunder. All representations and warranties and agreements made by the Company, the Seller or Purchaser in this Agreement or in any documents, certificates, or other instruments delivered pursuant hereto shall survive the Closing hereunder (and any investigation at any time made by or on behalf of the Company, the Seller or Purchaser).

ARTICLE 15 MISCELLANEOUS

15.1 Notices». All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given (i) on the date of service if served personally on the party to whom notice is to be given, (ii) on the day of transmission if sent by facsimile transmission to a facsimile number given below, and telephonic confirmation of receipt is obtained promptly after completion of transmission, (iii) on the day after delivery to Federal Express or similar overnight courier, or (iv) on the third day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed, return receipt requested:

(a) To the Seller:

Attention: _____
Facsimile: _____

with a copy thereof (which shall not constitute notice) to:

Attention: _____
Facsimile: _____

(b) To Purchaser:

Zylex Limited
Administration Offices
Suite 705-405
3830 Valley Centre Drive
San Diego, CA 92130
Attention: John Krikorian
Email: [REDACTED]

with a copy thereof (which shall not constitute notice) to:

Fafinski Mark & Johnson, PA
775 Prairie Center Drive, Suite 400
Minneapolis, MN 55344
Attention: Kevin Johnson, Esq.
Facsimile: [REDACTED]

or to such other address or to such other person as the Seller or the Purchaser shall have last designated by notice to the other.

15.2 Binding Effect. All the terms of this Agreement shall be binding upon and inure to the benefit of and be enforceable by, the parties hereto and their respective legal representatives, heirs, successors or assigns.

15.3 Modification. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and shall not be modified or amended except by an instrument in writing signed by or on behalf of the parties hereto.

15.4 Conflicts of Interest. Purchaser has a policy prohibiting “conflicts of interest,” except under guidelines approved by the Purchaser’s board of directors. According to Purchaser’s policy, a “conflict of interest” exists when a person’s private interest interferes in

any way with the interests of Purchaser. It is Purchaser's policy that (i) Purchaser's employees should avoid any direct or indirect business connection with Purchaser's customers, suppliers and competitors, except on behalf of Purchaser, (ii) Purchaser's employees are not allowed to work simultaneously for a competitor, customer or supplier of Purchaser, and (iii) Purchaser's employees should not receive improper personal benefits (directly or indirectly, such as through a family member) as a result of the employee's position in Purchaser. The Seller is not aware of any relationship or arrangement that violates Purchaser's policy described above and agrees that it will not knowingly take any action that would result in such a violation.

15.5 Expenses». Whether or not the transactions contemplated hereby are consummated, each of the parties hereto shall pay its own expenses incurred in connection with the authorization, preparation, execution or performance of this Agreement and all transactions contemplated hereby, including without limitation all fees and expenses of agents, representatives, counsel and accountants.

15.6 Assignment». This Agreement shall not be assignable by any party hereto without the prior written consent of the other party, except that Purchaser can assign this Agreement to a wholly-owned subsidiary of Purchaser.

15.7 Choice of Law». The parties hereby agree that this Agreement, and the respective rights, duties and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to principles of conflicts of law thereunder.

15.8 Exclusive Jurisdiction». Each of the parties hereby (i) irrevocably consents and agrees that any legal or equitable action or proceeding arising under or in connection with this Agreement shall be brought exclusively in any Federal or state court within the State of Florida, and any court to which an appeal may be taken in any such litigation, and (ii) by execution and delivery of this Agreement, irrevocably submits to and accepts with respect to any such action or proceeding, for such party's heirs, beneficiaries remaindermen, personal representatives, executors, administrators, fiduciaries and permitted assigns and in respect of such party's properties and assets, generally and unconditionally, the jurisdiction of the aforesaid courts, and irrevocably waives any and all rights such party may now or hereafter have to object to such jurisdiction under the constitution or laws of the State of Florida or the Constitution or laws of the United States of America or otherwise.

15.9 Counterparts». This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

15.10 Invalidity of Provisions». Should any part of this Agreement for any reason be declared by any court of competent jurisdiction to be invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall continue in full force and effect as if this Agreement had been executed with such invalid portion eliminated, it being the intention of the parties that they would have executed the remaining portion of this Agreement without including any such part, parts or portions which may for any reason be hereafter declared invalid.

15.11 Headings». The headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision thereof. Reference to numbered “articles,” “sections,” “paragraphs,” “subparagraphs” and “exhibits” and to lettered or numbered “schedules” or “exhibits” refer to articles, sections, paragraphs, subparagraphs and exhibits of this Agreement and schedules annexed thereto.

15.12 Access to Books and Records». Under the terms of this Agreement, Purchaser is receiving some of the books and records which relate to the Company’s business and the Shares, while the Seller is retaining other records. Each party agrees that for a period of three (3) years from the Closing Date, said party shall preserve any books and records relating to the Shares and the Company’s business, and that during such period it will afford to the other party access to all such books and records at reasonable business hours and upon reasonable notice. After the termination of said three-year period each party shall be free to dispose of any such records in such form as it pleases, unless the other party has requested said records. If the other party has made such a request, the party receiving the request either shall give to the requesting party the originals or copies of such records, or may retain such records subject to the requesting party’s continuing right to inspect the same.

15.13 Confidentiality». Seller and Purchaser agree to maintain the confidentiality of the identity of the other and of the nature and terms of this Agreement, and not to disclose the same to any third party other than to the respective legal counsels, lenders, and consultants of Seller and Purchaser. No announcements, interviews or information shall be provided to any media without Purchaser’s and Seller’s consent (and the terms of this Agreement shall not be provided to any media without Purchaser’s and Seller’s consent).

15.14 Joint and Several Liability». All agreements, covenants, representations, warranties and obligations of the Seller hereunder shall be joint and several obligations of Seller.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Stock Purchase Agreement as of the date first above written.

SELLER:
[JEFFREY EPSTEIN]

COMPANY:
JEGE., INC.

By: _____
Name: _____
Its: _____

PURCHASER:
ZYLEX, LLC

By: _____
Name: JOHN KRIKORIAN
Its: Chief Administration Officer